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ABSTRACT

Information that payees need for program operation, as well as guidelines for grants and contracts paid through the Grant Administration and Payment System (GAPS), is provided in this guide. The guide is intended to help users understand their responsibilities in expediting payments, in completing forms and reports, and in controlling federal cash received through GAPS. The text is divided into eight chapters and begins with an overview of identification numbers, such as the D-U-N-S number issued to payees for institutions by Dun and Bradstreet, and a Social Security Number (SSN) for individuals. Chapter 2 focuses on how the Department of Education (DED) makes payments, covering such topics as award periods and receiving education funds. Ways to modify payment requests and procedures for reporting expenditures are discussed in chapters 3 and 4, and how to control payee's funds and how to return federal funds are detailed in chapters 5 and 6, respectively. Some of the other grant programs under auspices of ED are outlined in chapter 7. The manual closes with a review of governing authorities, related processes, and legislation. The appendixes, comprising half of the document, include: (1) GAPS External Access User's Guide; (2) Service Bureau Payment Request Procedures; (3) Four sets of instructions and covering request for advance or reimbursement, direct deposit federal cash award certification statement and federal cash quality confirmation statement; (4) excess funds notification letter and (5) remitting payments by check or FEDWIRE. A glossary of acronyms is also included. (RJM)

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Department of Education

PAYEE'S GUIDE

*for the Grant Administration
and Payment System (GAPS)*

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Introduction

What is the purpose of this guide?

This guide provides payees information on operations and procedures for grants and contracts that are paid through the Department of Education's Grant Administration and Payment System (GAPS). This guide will help users understand their responsibilities in expediting payments, completing forms and reports, and controlling Federal cash received through GAPS. Updates to this guide will be made available on the GAPS Web Site:

<http://gapsweb.ed.gov>

Who should use this guide?

This guide applies to those institutions participating in the Department's discretionary and formula grant programs that require the submission of drawdown (payment) requests.

What is a grantee?

A grantee is an entity that applies for and receives a grant award from the U.S. Department of Education. The grantee is responsible for ensuring the grant is administered in accordance with program regulations.

This guide applies to all eligible organizations that must submit a drawdown request to receive discretionary and formula program funds.

What is a payee?

A payee is an entity identified by the grantee to request and manage Federal funds on behalf of the grantee. (The grantee and payee can be the same entity.) Below are two possible examples of the grantee/payee relationship:

- ◆ ABC University is eligible to participate in Title IV programs and receives a Pell Grant (grantee). ABC University requests its own funds and reports its own expenditures (i.e., ABC University is both the grantee and payee).
- ◆ ABC University is eligible to participate in Title IV programs and receives a Pell Grant (grantee). The State Controller's office requires ABC's funds be deposited in the State Treasurer's central account. The State Controller's office will request funds and report expenditures on ABC's behalf (i.e., ABC University is the grantee, and the State Controller's Office is the payee). ABC University will then use these funds to provide financial aid to students and for other program purposes.

What is EDCAPS?

The Education Central Automated Processing Systems (EDCAPS) is a centralized financial management system designed to integrate the Department of Education's separate financial processes including financial management, contracts and purchasing, grants administration, and payment management. Currently these processes reside in several, separate stand-alone systems including: the Education Payment Management System (EDPMS), the Primary Accounting System (PAS), the Grants and Contracts Management System (GCMS), and the Central Registry System (CRS). These stand-alone systems have caused reconciliation problems and slower transaction processing.

EDCAPS will improve the Department of Education's financial management performance by integrating four system modules into a single system. These modules include: the Financial Management Systems Software (FMSS), the Recipient System (RS), the Contracts and Purchasing Support System (CPSS) and the Grant Administration and Payment System (GAPS).

What is GAPS?

GAPS provides financial management support services for the grant life cycle in a single system. Functions supported by GAPS include obligation of award authorizations, disbursement of funds, annual certification of expenditures, and final grant closeout. In addition, GAPS controls payments for the Department of Education's programs, including payments for grants and direct loans and various other program-related obligations.

GAPS employs the latest in system and financial management technologies (such as a relational database, Internet technology, and Windows environment) resulting in an effective financial management and funds delivery system.

Use of these technologies allows payees easy system access to request and receive funds and to report expenditures; a user-friendly environment; easy retrieval of award and payment histories; and immediate update and notification of changes in awards, such as authorization changes.

Payees will use GAPS to request and manage funds for their grant and loan programs.

Important Department of Education Offices

Program Offices

The Department of Education administers its programs through seven Program Offices.

The Department of Education administers its programs through seven program offices: the Office of Bilingual Education and Minority Languages Affairs; the Office for Civil Rights; the Office of Education Research and Improvement; the Office of Elementary and Secondary Education; the Office of Postsecondary Education; the Office of Special Education and Rehabilitation Services, and; the Office of Vocational and Adult Education. The responsibilities of these program offices are briefly described in the following sections.

OBEMLA programs help a school district take affirmative steps to rectify situations where the inability to speak and understand the English language excludes children from effective participation in the education program offered by the school district.

Office of Bilingual Education and Minority Languages Affairs

The **Office of Bilingual Education and Minority Languages Affairs (OBEMLA)** administers programs designed to enable persons with limited knowledge of English to participate effectively in classrooms where English is the language of instruction or to enable them to pursue occupations in environments where English is normally used.

Established in 1974 by Congress, the OBEMLA helps school districts meet their responsibility to provide equal education opportunity to children with limited English proficiency.

OCR enforces Federal statutes that prohibit discrimination in programs and activities that receive Federal financial assistance.

Office for Civil Rights

The **Office for Civil Rights (OCR)** enforces federal statutes that prohibit discrimination based on race, color, national origin, sex, age, or handicapping condition in education programs receiving federal financial assistance. A primary responsibility is resolving complaints of discrimination. Agency-initiated cases, typically called compliance reviews, permit OCR to target resources on

compliance problems that appear particularly acute. OCR also provides technical assistance to help institutions achieve voluntary compliance with the civil rights laws that OCR administers.

OCR assists other components of the Department of Education in carrying out the civil rights requirements of certain grant programs. The civil rights laws enforced by OCR extend to a wide range of federal fund recipients, including education and rehabilitation agencies and their sub-recipients in the fifty states, the District of Columbia, and U. S. territories and possessions.

Office of Education Research and Improvement

The **Office of Education Research and Improvement (OERI)** provides national leadership for education research and statistics. OERI gathers, analyzes, and makes publicly available statistical and other types of information about the condition of American education. This office also disseminates information and research findings about successful education practices, supports a wide range of research and development activities, and supports nationally significant model projects. OERI offers a variety of services to customers through its library, institutes, and program-specific offices.

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Office of Elementary and Secondary Education

The **Office of Elementary and Secondary Education (OESE)** promotes academic excellence, enhanced education opportunities and equity for all of America's children and families, and improved quality of teaching and learning by providing leadership, technical assistance, and financial support. OESE provides financial assistance to state and local education agencies for both public and private preschool, elementary, and secondary education. Working together with these and other education partners, the OESE promotes and supports equal education opportunities and education excellence for all students.

OESE provides financial assistance to State and local education agencies for both public and private preschool, elementary, and secondary education.

The OESE is responsible for directing, coordinating, and recommending policy for programs designed to:

- ◆ Assist state and local education agencies to improve the achievement of elementary and secondary school students to ensure equal access to services leading to such improvement for all children, particularly children who are economically disadvantaged, Alaskan Native, American Indian, or children of migrant workers.
- ◆ Strengthen the management capabilities of state education agency personnel and foster education improvement at the state and local levels.
- ◆ Provide financial assistance to local education agencies whose local revenues are affected by federal activities.

OESE includes seven program offices that provide financial assistance to state and local education agencies for maintenance and improvement of both public and private preschool, elementary, and secondary education. These program offices are responsible for:

- ◆ Compensatory Education Programs (including Title I),
- ◆ Goals 2000 Program,
- ◆ Impact Aid Program,
- ◆ Office of Indian Education,
- ◆ Office of Migrant Education,
- ◆ Safe and Drug-Free Schools Programs, and
- ◆ School Improvement Programs.

Office of Postsecondary Education

The **Office of Postsecondary Education (OPE)** is responsible for formulating policy and directing and coordinating programs for assistance to postsecondary education institutions and students pursuing a postsecondary education. OPE provides support for financially needy young persons who want to go to college or who want to receive vocational training after high school. Students in need of financial assistance can apply for grants, loans, and jobs to help them complete postsecondary education. The Historically Black Colleges and Universities staff (HBCU) provides support and oversight to specifically designated institutions that serve disadvantaged minority students. The major OPE organizations are:

- ◆ Policy, Planning, and Innovation (PPI) provides policy analysis and development, and budget formulation and forecasting for programs administered by OPE. The Fund for the Improvement of Postsecondary Education (FIPSE) provides grants to colleges and universities to promote reform, innovation, and improvement in postsecondary education.
- ◆ Student Financial Assistance Programs (SFAP) administer those activities of the Department that provide need-based financial assistance to students pursuing a postsecondary education.
- ◆ Higher Education Programs (HEP) administer discretionary funds and provide support services designed to both improve student access to postsecondary education and foster excellence in institutions of higher education. Program funds are awarded usually in the form of grants to institutions across the country, which include postsecondary education institutions, elementary and secondary institutions, and non-profit organizations that assist in the distribution and administration of Federal funds. HEP also administers several fellowship programs that

OPE provides support for financially needy young persons who want to go to college or who want to receive vocational training after high school. The Historically Black Colleges and Universities staff (HBCU) provides support and oversight to specifically designated institutions that serve disadvantaged minority students.

OSERS supports programs that assist in educating children with special needs, provides for the rehabilitation of youth and adults with disabilities, and supports research to improve the lives of individuals with disabilities.

provide award funds to graduate and undergraduate students in targeted areas of study.

Office of Special Education and Rehabilitative Services

The **Office of Special Education and Rehabilitative Services (OSERS)** assists in the education of disabled children and the rehabilitation of disabled adults, and conducts research to improve the lives of disabled persons regardless of age. OSERS supports programs that assist in educating children with special needs, provide for the rehabilitation of youth and adults with disabilities, and support research to improve the lives of individuals with disabilities. To carry out these functions, OSERS consists of three program-related components:

- ◆ The Office of Special Education Programs (OSEP) has primary responsibility for administering programs and projects relating to the free appropriate public education of all children, youth, and adults with disabilities from birth through age 21. The bulk of special education funds is administered by OSEP's Division of Assistance to States, which provides grants to states and territories to assist them in providing a free, appropriate public education to all children with disabilities.
- ◆ The Rehabilitation Services Administration (RSA) oversees programs that help individuals with physical or mental disabilities to obtain employment through the provision of such supports as counseling, medical and psychological services, job training, and other individualized services. RSA's major formula grant program provides funds to state vocational rehabilitation agencies to provide employment-related services for individuals with disabilities, giving priority to individuals who are severely disabled.
- ◆ The National Institute on Disability and Rehabilitation Research (NIDRR) provides leadership and support for

a comprehensive program of research related to the rehabilitation of individuals with disabilities.

Office of Vocational and Adult Education)

The Office of Vocational and Adult Education (OVAE) administers grant, contract, research, and technical assistance programs for vocational-technical education and for adult education and literacy. OVAE also works in a collaborative relationship with the Department of Labor in administering the School-to-Work Opportunities Initiative. This initiative assists states and localities in designing and building innovative systems to better prepare youth for college and careers. OVAE's leadership, funding, research, demonstrations, and information dissemination activities are a component of the U.S. Department of Education's effort to assist states and localities in meeting the National Education Goals by the year 2000.

OVAE administers programs relating to Adult Education and Literacy, School-to-Work Opportunities, Community College's Vocational-Technical Education, and Correctional Education.

Office of the Chief Financial Officer

The Office of the Chief Financial Officer (OCFO) provides accurate, timely, and useful grant, contract and financial management information and services to all of the Department's stakeholders. This responsibility includes all matters related to discretionary grant-making, cooperative agreements, and procurement, as well as financial management, financial control, and accounting.

The office is headed by a Chief Financial Officer (CFO) who supervises the activities of four functional areas: Financial Improvement and Post Audit Operations, Financial Reporting and System Operations, Financial Payments and Cash Management Operations, and Contract and Purchasing Operations. In addition to these principal functional areas, the CFO supervises the Grants Policy and Oversight Staff that is responsible for oversight and policy development of the Department's grant processes (exclusive of Student Financial

OCFO is responsible for all matters related to discretionary grant-making, cooperative agreements, and procurement, as well as financial management, financial control, and accounting in the Department of Education.

Assistance Programs), and for systems support for grant activities.

Of particular interest to recipients of Department of Education funds are the Financial Payments Group in Financial Payments and Cash Management Operations, and the Financial Improvement Receivables Group in Financial Improvement and Post Audit Operations. The activities of these organizations are discussed in the following sections.

Financial Payments and Cash Management Operations

Financial Payments and Cash Management Operations (FPCMO) controls the disbursement of funds to the Department's program recipients and the liquidation of program obligations; is responsible for cash management activities and for implementing Treasury initiatives; and manages the Department's travel program. FPCMO manages the delivery of approximately \$33 billion in Department funds to 15,000 education recipients and serves as a liaison to the education community.

The **Financial Payments Group (FPG)** is a subdivision of FPCMO. In carrying out its responsibilities, the FPG:

- ◆ provides timely and accurate disbursement of program and administrative funds to Department of Education program recipients, contractors, Department administrative staff, and other government agencies,
- ◆ operates and maintains GAPS,
- ◆ reconciles funds between the Department and institutions, and
- ◆ acts as a liaison to the recipients and the Department of Education program offices.

FPG carries out its funds disbursement and management activities through the **Customer Assistance/ Accountability Unit** and the **Payment Management Service and Reporting Unit**.

The **Customer Assistance/Accountability Unit (CA/AU)** is a sub-division of FPG. In carrying out its responsibilities, the CA/AU:

- ◆ works closely with recipients in managing and servicing recipient accounts,
- ◆ responds to inquiries and provides training and instruction on GAPS operations and reporting requirements,
- ◆ acts as a liaison to program offices and the recipients on information concerning authorized funds, advances, payments, cash accountability and financial reporting, and
- ◆ processes recipient expenditures.

The **Payment Management Service and Reporting Unit (PMSRU)** is another sub-division of FPG. In carrying out its responsibilities, the PMSRU:

- ◆ maintains payee accounts in GAPS,
- ◆ processes payment requests, adjustments and updates grant awards,
- ◆ corrects data that has been rejected by the system,
- ◆ oversees the FEDWIRE and ACH processes,
- ◆ maintains and updates recipient bank account information received from recipients or from the Federal Reserve Bank, User IDs and passwords, and a listing of those individuals authorized to request payments via FEDWIRE,

-
- ◆ reconciles payments for monthly reporting to Treasury, and
 - ◆ makes Direct Loan payments to schools participating in the Direct Loan Program.

Financial Improvement, Receivables and Post Audit Operations

Financial Improvement, Receivables and Post Audit Operations (FIRPAO) is responsible for post-audit activities, the accounts receivable function, and indirect cost determination oversight and policy for the Department of Education. In addition, FIRPAO provides leadership and direction in the areas of strategic planning and performance measures; is active in the effort to link audit, monitoring, and technical assistance for the improvement of student performance and program outcomes; and is instrumental in legislative compliance reporting.

The **Financial Improvement and Receivables Group (FIRG)** provides assistance to the Department in the areas of financial management strategic planning, accounting training, accounts receivable, and compliance with legislation and other financial management improvement projects. In carrying out its responsibilities, the FIRG:

- ◆ develops and implements financial management improvement projects and Department-wide financial management training,
- ◆ leads the Department's long-range financial management strategic planning activities,
- ◆ provides leadership within the Department by implementing policy, regulations and procedures relating to accounts receivable,
- ◆ directs and manages the Department's accounts receivable institutional debt portfolio,

FIRG manages the Department's accounts receivable, processes payee checks for the return of grant funds, and negotiates repayment agreements with institutions.

-
- ♦ processes recipient checks for the return of grant funds, and
 - ♦ negotiates repayment agreements with institutions.

Other resources

The discussion of important Department of Education offices provided in this guide is not an exhaustive listing of the resources available to individuals and institutions seeking information about Department activities. For the most detailed, up-to-date information, go to the Department of Education Home Page on the Internet at URL:

<http://www.ed.gov>

Information on the Department's Home Page includes the latest information about the Department and its programs including addresses and points of contact within the Department and its offices.

Chapter 1

Identification Numbers

Before one can receive a grant or contract from the Department of Education, the issuing program office must register that person's organization with the Department. Initially, the organization is identified in the Recipient System, or RS. RS is the part of EDCAPS that serves as the recipient database and the central repository for core information on all payees and grantees having a relationship with the Department. RS identifies organizations by name, address, and one of two identification numbers:

- a D-U-N-S Number, issued by Dun and Bradstreet, for institutions, or
- a Social Security Number (SSN) for individuals.

To be awarded a grant or contract from the Department of Education one must have one of these two identification numbers. In addition, once a grantee is authorized funding, payees will request those funds by ***Grant Award Number***. Further, after the grant or contract is awarded, the person will be issued a ***User Identification*** (User ID) and ***password*** that will allow access and enable the user to report on the award's funds.

The rest of this chapter explains each of these numbers and discusses how the user and the Department of Education use them.

The Payee's D-U-N-S Number

The Data Universal Numbering System or **D-U-N-S Number** is a unique nine-digit identification code that is assigned to an institution by Dun & Bradstreet, a nationally recognized credit rating bureau. Under GAPS, the D-U-N-S Number replaces the Entity Identification Number (EIN), the Payee Identification Number (PIN), and the account number that were used in the past. You will still be required to provide the Department with your Taxpayer Identification Number (TIN) on your grant application. All grantees and payees must have a D-U-N-S Number to participate in Department of Education programs.

When the grant or contract arrives, check to make sure that the D-U-N-S Number is correct. If it is incorrect, tell the program office immediately so that it can correct the error. **It is essential that the D-U-N-S Number is correct.**

Obtaining the payee's D-U-N-S Number

A D-U-N-S Number is obtained in one of two ways:

- ◆ **If the users is currently participating in Department of Education programs**, the Department already obtained D-U-N-S Numbers for all grantees and payees. These were mailed to these institutions for verification. If the user did not receive the D-U-N-S Number from the Department, please follow the instructions in the next bullet.
- ◆ **If the user is a new participant in Department of Education programs**, they can obtain the D-U-N-S Number at no charge by calling 1(800) 333-0505, or by completing a D-U-N-S Number Request Form. The form can be obtained via the Internet at the following URL:

<http://www.dnb.com/aboutdb/dunsform.htm>

Using the payee's D-U-N-S Number

Grantees will provide their D-U-N-S Number along with their TIN when applying for a grant. Grantees and payees will use their D-U-N-S Number to identify themselves when contacting their payment account representative for questions concerning their payment requests or grant awards.

Changes to the payee's D-U-N-S Number

The D-U-N-S Number represents the payee's institution as a financial entity. The number must change if the payee's organization:

- ◆ merges with another organization,
- ◆ is sold to another organization, or
- ◆ separates from an existing organization and becomes a freestanding financial account on its own right.

The Payee's SSN

The SSN is the Social Security Number that uniquely identifies an individual issued a Department of Education grant award. It is a nine-digit number broken into three groups as follows:

123-45-6789

Obtaining a SSN

The SSN is issued by the Social Security Administration upon application and after appropriate identification checks. Contact your local Social Security Administration office for more information.

Notify the program office immediately if the organization merges with or is sold to another organization or becomes a freestanding financial entity in its own right. Failure to notify the program office of these changes may suspend payments from the Department of Education.

When the grant or contract arrives, check to make sure that the SSN is correct. If it is wrong, tell the program office immediately so that it can correct the error. **It is essential that the SSN is correct.**

Using the payee's SSN

The SSN will be provided to the Department of Education on the grant application only when the grant is awarded directly to an individual (e.g., a fellowship).

Changes to the payee's SSN

Individuals' SSN will not change. However, if they change their name, the name associated with the SSN must be changed as well. Individuals must contact the Social Security Administration to make this change, and notify their program office.

The Grant Award Number

The Grant Award Number is a unique, eleven character "number" that identifies each grant award issued by a specific program office to a specific grantee.

The following is an example of a Grant Award Number and an explanation of the parts that make up the number:

P031B971234	P	= Program Office issuing the award
	031	= CFDA numeric suffix of the program
	B	= Alphabetic sub-program identifier
	97	= Last digits of the funding fiscal year
	1234	= Unique identifier

Grant Award Numbers issued prior to GAPS implementation have only ten characters (they have only one fiscal year character). The ten character Grant Award Numbers were converted to 11 characters with GAPS implementation.

Obtaining the grantee's Grant Award Number

The Grant Award Number is issued by the Department of Education program offices, and can be found on the grant award notices issued to grantees.

Using the grantee's Grant Award Number

Under GAPS, payees request funds and report expenditures by Grant Award Number.

Changes to the grantee's Grant Award Number

The Grant award number is a unique identifier for each grant award issued by a specific program office to a specific grantee. It remains active throughout the life-cycle of the grant award.

Certain circumstances (e.g., a merger) may cause the Grant Award Number to change. Your program office will advise you of any changes to the Grant Award Number.

User ID and Password

Payees can access GAPS via the Internet (using a computer and Web browser) or via the Department of Education's service bureau. In order to use either method, payees must have a GAPS User ID and password. Both the User ID and password are unique eight-character strings that may consist of letters and numbers. A payee can authorize up to five individuals to access the system. Each individual that a payee authorizes to access GAPS has a unique User ID and password.

Notify the payment account representative immediately whenever there is a change in the individuals authorized to request funds at the organization.

Obtaining the payee's User ID and password

The Department of Education will issue GAPS User IDs and passwords to those individuals authorized by the payee to access GAPS to request funds and report expenditures.

The User IDs and passwords will be sent to such offices as the Chief Financial Officer, Treasurer, or Bursar, responsible for the cash accountability and management of funds for the organization. User IDs and passwords cannot be faxed or given over the telephone, and are not to be shared by multiple users.

Using the payee's User ID and password

The payee's authorized representative will provide the User ID and password every time they access GAPS to drawdown funds, view balances, adjust expenditures, view quarterly and annual statements, and report expenditures. Representatives will also be required to provide their User ID and password when requesting funds through the Department of Education's service bureau.

Payee's will be requested to periodically validate all User IDs and passwords assigned to their organization. It is the responsibility of each business office to ensure that this information is correct.

Changes to the payee's User ID and password

The User ID cannot be changed. If an authorized user should no longer have access to GAPS (e.g., the user leaves your organization), contact your payment account representative to de-activate the User ID.

Users will be able to change the password associated with the User ID by using the "Password Maintenance" functionality in the GAPS External Access system. *Appendix A* in this guide for more information.

Chapter 2

How the Department of Education Makes Payments

Once the payee receives a signed authorization (grant award authorization) or contract, it will be recorded in GAPS. The payee may begin requesting funds once the **begin date** on the grant award is reached. The program offices may increase or decrease the grant award authorization or contract depending on new information that the payee gives them, such as student data. The actions that the payee can take depend on the grant's **award period**. This chapter begins with a discussion of those payment actions by award period. It describes the two payment methods (**advance** and **reimbursement**) that the Department of Education uses to pay requested funds, and the two means by which the Depart transfers funds to the financial institution (ACH and FEDWIRE).

Award Periods

Awards issued to grantees will enter several different periods over time. The length of the award periods will vary by program and authorizing statute. The award period affects the actions that the grantee can take on the award. These periods include:

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- ◆ **Performance Period** -- The period of time between the grant award begin date and the grant award end date when the grantee satisfies the requirements of the grant award. During this time:

- Payees may request payments,
- Payees may adjust drawdowns,
- Payees may report expenditures against the grant award, and
- The program office may make changes to the grant award's authorization.

Once the performance period ends, a grant award begins the closeout process. The closeout process includes the following periods: *liquidation, suspension, and closeout*.

- ◆ **Liquidation Period** -- Liquidation is the period immediately following the end of the performance period. During this time:

- Payees may request payments for expenditures incurred during the performance period,
- Payees may adjust drawdowns for expenditures incurred during the performance period, and
- Payees may report expenditures against the grant award.

- ◆ **Suspension Period** -- The suspension period follows liquidation. During the suspension period no payment actions can take place. Payees can only report expenditures against the grant award.

During liquidation no new authorizations may be processed against a grant award.

Questions? If the payee has any questions related to changes in the grant award's authorization or payment after the liquidation period, the payee can contact the program office that issued the award.

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- ♦ **Closeout** -- Closeout immediately follows the suspension period. During this period, the grant award closes and any remaining funds are de-obligated.

Payment Methods Overview

To receive funds, the payee may be paid in one of two ways.

- ♦ The payee may be paid in advance to meet immediate needs (over the next three business days). If the grant or contract is paid in advance (i.e., in anticipation of immediate expenditures over the next three business days) the payee may request funds:
 - on-line through the GAPS External Access system, or
 - by telephone through the Department of Education's service bureau that will input the requests into GAPS.
- ♦ The payee may be paid by reimbursement. If on reimbursement, the payee will request reimbursement for expenditures incurred for program purposes through the regional/program office. The regional/program office will enter approved requests into GAPS.

The remainder of this chapter will focus on the details of the advance and reimbursement payment methods and how the user will receive funds through ACH or FEDWIRE.

Advance Payment Method

Under this method of payment, payees request funds to meet their immediate cash needs. Most payees are paid by the advance payment method. A payee who is a new recipient will be placed on the advance payment method as soon as GAPS has information about the payee's financial institution.

Payments can be received in advance or by reimbursement.

The GAPS External Access system is a Web-based application that payees use to access GAPS to create, modify, and view payment requests, view the award authorization history, and report expenditures.

Further, if the payee is paid in advance, the payee may request funds by using the GAPS External Access system or placing the request through the Department's service bureau.

Requesting payments

Payees may request payments in one of two ways. They may:

- ◆ **Create a Payment Request via the Internet using the GAPS External Access system.** *Appendix A* of this guide contains detailed instructions on how to use the GAPS External Access system to create, modify, and inquire about Payment Requests.
- ◆ **Call the Department of Education's service bureau.** During the GAPS phase-in period the payee may also request payments by calling the Department's service bureau. After the payee provides the User ID and password, the bureau will take the request. The bureau will enter the request into GAPS for validation. Detailed instructions are found in *Appendix B* of this guide.

If the request meets the GAPS validation criteria, it will be processed and transmitted to the Federal Reserve Bank for deposit into the designated account at the payee's financial institution. The user will be able to withdraw funds any time after the payment date, approximately one to two days later (see *Verifying payments* below). If the request does not meet the GAPS validation criteria, it may be rejected. If this is the case, contact the payee's payment account representative.

Verifying payments

The payee should always check that the requested payment was received by the payee's financial institution and deposited in the payee's account. If there are any problems, contact the payee's financial institution or payment account representative.

Recording payments

The payee should keep records of all the payments requested. Not only will these records serve as an audit trail, they will also help the payee reconcile its account with the **Federal Cash Quarterly Confirmation Statement**.

Delayed, denied, or reduced payment requests

The payment request may be delayed, denied, or reduced if:

- ◆ the **Federal Cash Award Certification Statement** is not properly completed,
- ◆ the payee submits the **Federal Cash Award Certification Statement** after the due date,
- ◆ the payee is holding excess federal funds, or
- ◆ at the request of a program office for such instances as a program review or audit.

Reimbursement Payment Method

A program office may ask the FPG to place the payee on the reimbursement payment method. Under this method of payment, payees spend their own funds for program purposes. After submitting the appropriate documentation, payees are then reimbursed. Generally, this occurs if:

- ◆ the payee did not comply with Department of Education regulations, or
- ◆ the payee has not met the terms and conditions of previous awards resulting in restrictions for payment, or
- ◆ the payee did not meet program requirements, or
- ◆ the program office identified problems with the payee's financial condition or financial management system, or

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- ♦ the organization has been designated as “high risk” by the Department.

The FPG may place the on reimbursement if:

- ♦ the payee has defaulted on its agreement to repay a debt due the Department of Education, or
- ♦ the payee has abused advance payment privileges.

Requesting Payments

If a payee is on the reimbursement payment method, the program office provides the payee with instructions on how to request funds. In most cases, the payee will need to fill out a ***Request for Advance or Reimbursement Form (SF-270)*** and send it to the designated regional or program office. ***Appendix C*** of this guide contains a sample copy of the ***SF-270*** and detailed instructions for completing the form.

After approving the request, the Regional Office will process this request on-line into GAPS. If the payee has questions about its reimbursement requests, the payee can contact the Regional Office where the request was sent.

Verifying payments

The payee should always check that the requested payment was received by the payee’s financial institution and deposited in the payee’s account. If there are any problems, contact the payee’s financial institution or account representative.

Recording payments

The payee should keep records of all the payments requested. Not only will these records serve as an audit trail, but they will also help the payee reconcile its account with the ***Federal Cash Quarterly Confirmation Statement***.

Delayed, denied, or reduced payment requests

Payment requests may be delayed, denied, or reduced if:

- ♦ the ***Federal Cash Award Certification Statement*** is not properly completed,
- ♦ the payee submits the ***Federal Cash Award Certification Statement*** after the due date,
- ♦ the payee is holding excess federal funds, or
- ♦ at the request of a program office for such instances as a program review or audit.

Designating an Account Servicer

If the payee wants to designate an account servicer such as an accounting firm or private contractor to request funds for their organization, the payee must first authorize FPG to release the payee's User IDs and passwords to that account servicer. To do this, send a letter to the FPG payment account representative that states the name of the account servicer the payee is designating (and the individuals at the servicer who will request funds) and the address where FPG should send the User IDs and passwords. This letter can be faxed or mailed. If, at any time, the account servicer is changed or the payee decides to perform these financial functions for the organization, the payee must notify the payment account representative.

Receiving Education Funds

When requesting funds, the payee must specify whether the funds will be transmitted to the payee's bank account using either the Automated Clearing House (ACH) or FEDWIRE transmission method. This section explains the two electronic funds transfer (EFT) methods and what the payee needs to do to enroll in either ACH or FEDWIRE.

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ACH

When GAPS pays funds through the Automated Clearing House, or ACH, GAPS electronically transfers the payment through the Federal Reserve Bank network into the payee's depositor account at a designated financial institution.

Enrolling in ACH

Before payees can receive ACH payments, they must enroll their organization with FPG.

To enroll the payee's organization, complete a ***Direct Deposit Sign-Up Form (SF-1199A)*** and send it to FPG. ***Appendix D*** of this guide contains a sample copy of the ***SF-1199A*** and detailed instructions for completing the form. On this form, the payee will tell FPG:

- ◆ the name and address of the payee's financial institution,
- ◆ the depositor account to which funds (by grant award) are to be delivered, and
- ◆ the bank routing number along with the payee's financial institution's certification.

Once FPG receives the ***SF-1199A***, it will take a minimum of two weeks to enroll the payee's organization in GAPS. This includes time to verify the enrollment information.

GAPS will always use the information on the payee's enrollment form when making ACH deposits. To change the payee's financial institution or depositor account for the funds, the payee must re-enroll.

Re-enrolling in ACH

The payee's organization must re-enroll whenever:

Payees must enroll their organization with FPG before they can receive ACH payments.

If payees use separate bank accounts for each grant program, they must fill out a separate ***SF-1199A*** for each grant award.

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- ◆ they change financial institutions,
 - ◆ the payee or its financial institution changes the account number on the depositor account,
 - ◆ the depositor account is closed, or
 - ◆ the financial institution where the payee has the depositor account closes—either voluntarily or involuntarily.

The payee should notify FPG when any of these changes are about to occur. Complete a ***Direct Deposit Sign-Up Form (SF-1199A)*** and send it to FPG. The payee may also use its financial institution's direct deposit sign-up form. ***Appendix D*** of this guide provides a sample copy of the ***SF-1199A*** and detailed instructions for completing it.

ACH Processing Times

When the payee requests an ACH payment, it takes approximately two days for the payment to be deposited in their account. For example, if a payment is requested using GAPS External Access on a Monday morning, the payment may be deposited as early as Wednesday. Requests can be entered for deposit up to 30 calendar days in advance of the payment date and warehoused in GAPS until the payment date arrives.

Payees should never assume that a payment has been deposited. Always check with the financial institution to ensure that the requested payment has been deposited before beginning disbursement of funds.

When calling the financial institution to verify a payment, the payees should be sure to say that they are checking on a direct deposit payment or a deposit made through the Automated Clearing House. Do not use any other

Re-enroll the organization if the payee makes any changes to the depositor account or if the financial institution where the payee's depositor account is located closes. If the payee does not re-enroll, the payment request will be returned to the Department of Education until they re-enroll.

Payees should always check their account to make sure the requested payment has been deposited before beginning to disburse funds.

terms, such as wire payment. There are several kinds of electronic funds transfers, and if the financial institution looks for the wrong type of payment, the payee may be given incorrect information regarding the status of the request.

FEDWIRE

The FEDWIRE transmission method involves an electronic transfer of funds directly from the Financial Payments and Cash Management Operations, Financial Payment Group, through the Federal Reserve Bank network into the payee's depositor account at a designated financial institution. This payment method is generally used to transfer funds to states and large institutions. Many banks **charge a fee** for processing FEDWIRE payments.

Enrolling in FEDWIRE

Before a payee can receive payments using the FEDWIRE method, the payee must enroll its organization with FPG.

If the financial institution is on-line with the Federal Reserve Bank, send FPG a letter from an accountable officer to the Department of Education that contains the following information:

- ◆ the name and address of the payee's financial institution,
- ◆ the financial institution's ABA number,
- ◆ a contact (name and telephone number at the financial institution),
- ◆ the depositor account number at that institution, and the financial institution's telegraphic abbreviation.

Appendix E of this guide provides a sample letter.

If payees use separate bank accounts for each program, they must fill out a separate SF-1199A for each grant award.

If the financial institution is not on-line with the Federal Reserve Bank, send FPG a letter that contains the following information:

- ♦ the name of the payee's financial institution,
- ♦ the payee's depositor account number at that institution, and
- ♦ the name of the payee's financial institution and the payee's depositor account number that the *financial institution uses*.

Re-enrolling in FEDWIRE

The organization must re-enroll whenever a change to any of the information listed above occurs. As soon as any of this information changes, send FPG letter advising the Department of the changes in the financial institution information. Refer to the sample letter in *Appendix E* of this guide.

FEDWIRE Processing Times

Users may request FEDWIRE payments directly using the GAPS External Access system. Payments can be requested for same day payment, next day payment, or requests can be entered for deposit up to 30 calendar days in advance of the payment date and warehoused in GAPS until the payment date arrives. Same day payment requests must be completed not later than 12:30 p.m. Eastern Time (ET) in order to be deposited in the payee's bank account on the same day. FEDWIRE payment requests made after 12:30 p.m. ET can be processed for next day payment or warehoused for future payment.

If the payee's financial institution or depositor account is changed, contact FPG immediately. Such changes may result in the rejection of funds at the payee's financial institution and their return to the Department of Education.

Direct Loan Payments

The Student Loan Reform Act of 1993, part of the Omnibus Budget Reconciliation Act of 1993 (PL 103-66), established a new program under Title IV, Part D of the Higher Education Act of 1965, as amended (20 USC §§ 1987a *et seq.*). Under this program, known as the William D. Ford Federal Direct Loan (DL) program, loan capital is provided directly to the institution by the federal government for student and parent borrowers rather than through private lenders.

To be considered for participation in the DL program, schools must apply for the program and meet the requirements of the Higher Education Act and the Department of Education's eligibility requirements.

The participating school may perform the processing necessary to originate the loan or the processing may be performed by an alternate originator. The Department provides alternate originator services to participating schools, free of charge, or the school may contract alternate originator services from an independent servicer.

Requesting DL funds

The procedures used to draw down funds for the DL program are different from the other Title IV programs. In addition, requests for Direct Loan funds may not be combined with requests for other Title IV funds.

Schools participating under Level 1 school origination

Schools that participate in the DL program under Level 1 school origination initiate their own funding requests. Once a school has determined its immediate cash needs, it transmits either an ACH or FEDWIRE payment request. Schools participating under Level 1 may request funds by:

Payees must request DL payments separately from other payments. However, they will use the same payment request method for DL as they use for other programs.

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- ◆ Creating a payment request via the Internet using the GAPS External Access system. *Appendix A* of this guide provides instructions on using the GAPS External Access system to create, modify, and adjust DL payment requests.
 - ◆ Calling the Department of Education's service bureau. During the GAPS phase-in period the payee may request payments by calling the Department's service bureau. After the payee provides the User ID and password, the bureau will take the request. Instructions are found in *Appendix B* of this guide.
 - ◆ Creating a payment request via the Title IV Wide Area Network (TIVWAN) using the **ED Express** software.

Schools participating under Level 2 school origination and alternative origination (Level 3)

Schools that participate in the DL program under these options do not initiate funding requests. The Direct Loan Servicing Center handles requests for funds.

Schools send their borrowers' loan origination records and promissory notes to the Servicing Center. To be included in a funding request, the borrowers' records must be accepted by the Servicing Center.

About 30 to 45 days before the anticipated disbursement dates listed in the loan origination records, the Servicing Center sends an electronic list to the school showing the anticipated disbursements by borrower and by loan type. The school must review the list and make any necessary updates or adjustments to the information. The school sends the changes to the Servicing Center electronically.

The Servicing Center requests a school's funds from the Department three days prior to the anticipated disbursement dates. The same day the request is made, the Servicing Center

creates and sends an electronic actual disbursement roster to the school that lists individual borrowers, their loan types, and their actual disbursement amounts minus loan fees. The roster also includes the total amount of funds included in the request. Level 2 and 3 schools should retain copies of their disbursement rosters as records of the funds they receive.

Funds are directly deposited to a school's bank account through ACH.

Returning DL funds

If the payee requested more funds than needed, due to such things as loan cancellations or errors, those funds must be returned to the Department of Education if the payee cannot apply the funds against another DL draw (within three business days). If the payee is returning funds by check, the check should be sent to a Post Office Box maintained by the loan origination servicer appointed by the Department of Education to service the returns and perform other DL administrative matters. Checks should include the institution name and academic year for which funds are being returned. If the payee is returning funds by wire, it should use the same procedure described on page 55 for FEDWIRE refunds.

Reporting requirements for DL funds

Payees will not report the expenditure of DL funds to OCFO. They will receive specific reporting instructions from the Office of Postsecondary Education, Student Financial Assistance Programs.

Return Direct Loan funds to:

Department of Education
Excess Cash
PO Box 2011
Montgomery, AL 36102-2011

Any questions related to DL program reporting requirements may be directed to the DL coordinator at:

(202) 708-9788

or addressed to:

DL Program Coordinator
U.S. Department of Education
ROB-3, Room 4517
Washington, DC 20202

Chapter 3

Modifying Payment Requests and Adjusting Drawdowns

GAPS provides users with the flexibility to modify their payment requests before the funds are deposited in the designated bank accounts. Users can also reallocate their drawn funds among awards in GAPS to reflect their actual expenditures reflected in their internal accounting records.

Modifying Payment Requests

When a payee submits a payment request, it is assigned one of the following statuses: *Ready for Scheduling*, *Waiting Payment Office Review*, *Waiting Program Office Review*, or *Waiting Accounts Receivable Offset Determination*. Payment requests that have been accepted for payment are given a status of *Ready for Scheduling* and can be modified or canceled, if necessary, prior to being transmitted for deposit with the payee's financial institution. Payment requests that are awaiting Department of Education review and approval cannot be modified or canceled.

Adjusting Drawdown Amounts

An adjustment is the movement of drawn funds from one grant to another. The adjusted net draws should reflect a payee's actual expenditures so that the Department of Education's records will agree with the payee's own internal accounting records. Thus, if payees draw too much, they can adjust or redistribute their drawdown requests between their grant awards to meet other immediate cash needs, as long as the net change is zero.

For example: If Grant #1 has a balance of \$1,000 and Grant #2 has a balance of (\$800), then an adjustment should be made to move \$800 of the excess cash from Grant #1 to Grant #2, which has a deficit of \$800. Now Grant #1 has reduced its excess cash balance to \$200 and Grant #2 has a \$0 balance.

Other Circumstances

- ◆ If the payee did not draw enough funds to meet an expenditure, the payee may make another payment request at any time.
- ◆ If the payee draws too much and plans to make another payment request within the next three business days, the payee may simply modify the next payment request.
- ◆ If the payee draws too much and cannot apply the funds to another grant award program or use the funds within three business days, the payee is holding excess cash that must be returned to the Department of Education. The return of excess cash is required only when a payee has an amount of cash in excess of expenditures and immediate needs for each authorized program. Excess cash from one program can be used to offset a cash deficit or to meet an immediate need in another program where authorization exists. ***Chapter 6*** in this

guide describes procedures for *Returning Federal Funds*.

Modifications, Adjustments, and Award Periods

As discussed in *Chapter 2* of this guide, awards issued to grantees will enter several different periods over time. The award period affects the modifications and adjustments that can be made in GAPS. Specifically:

- ◆ During the **Performance Period**:
 - payees may modify accepted payment requests made against the grant award, and
 - payees may make adjustments to drawdowns already processed against grant awards.
- ◆ During the **Liquidation Period**:
 - payees may modify accepted payment requests made against the grant award for expenditures incurred during the performance period, and
 - payees may make adjustments to drawdowns already processed against grant awards, for expenditures incurred during the performance period.
- ◆ During the **Suspension Period**, payees can only report expenditures against the grant award. Any requests for payment during this period must be referred to the program office that issued the award.
- ◆ During **Closeout** the grant award closes and any remaining funds are de-obligated. Adjustments to

expenditures on closed awards must be requested from the program office that issued the award.

The GAPS External Access system provides payees with flexibility in managing their awards and requesting payments. **Appendix A** in this guide describes how to use GAPS External Access system to modify payment requests and adjust drawdowns.

Chapter 4

Reporting Expenditures

As recipients of a grant award or contract from the Department of Education, payees will be required to report their cash expenditures using the ***Federal Cash Award Certification Statement***. They will also receive the ***Federal Cash Quarterly Confirmation Statement*** to use when reconciling their records with the Department's and report any changes or discrepancies to the Department.

Hard copies of these statements will be mailed to all Department of Education payees. Payees using the GAPS External Access system will also be able to access these statements on-line. These statements provide payees with grant information including: authorization amounts, cumulative drawdowns, and current balances. This chapter explains how grantees and payees will use these statements to manage their Education funds.

The Federal Cash Award Certification Statement

Payees will certify expenditures by Grant Award Number once a year as of June 30th. Payees will receive an annual ***Federal Cash Award Certification Statement***

Payees should be resolving excess cash balances throughout the year.

containing the net authorizations and net drawdowns for each of their grant awards for the year ending June 30. At this time, payee's will be required to resolve and certify any excess cash balances to the Department. Payees must return the **Federal Cash Award Certification Statement** by August 31 in order to avoid delays in receiving federal funds.

All payees will be sent a hard copy of the report to complete and return to the Department of Education. A detailed description of the **Federal Cash Award Certification Statement** and instructions for completing the statement can be found in **Appendix F** of this guide.

Payees can also report expenditures on-line using the **Federal Cash Award Certification Statement** in the GAPS External Access system. However, due to security issues regarding electronic signatures, payees will still need to return a signed copy of the completed statement. Instructions for reporting expenditures on-line are contained in **Appendix A** of this guide.

The Federal Cash Quarterly Confirmation Statement

Payees will receive the **Federal Cash Quarterly Confirmation Statement** four times a year (9/30, 12/31, 3/31, and 6/30). These statements are similar to a bank statement and contain cumulative grant information as well as a payee's drawdown activity and authorization changes for the quarter.

Payees should use this statement to reconcile their internal accounting records with the Department's records. Payees are not required to return the statement or contact the Department unless they disagree with any of the information contained in the statement. If there is a discrepancy between the quarterly statement and the payee's records:

- ◆ contact the appropriate program office representative for authorization discrepancies, or

Payees use the **Federal Cash Quarterly Confirmation Statement** to reconcile their internal accounting records. If there is a discrepancy, payees must notify their program office or payment account representative. If payees do not contact the Department by the date specified on the report, their agreement with Department of Education records will be assumed.

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- ◆ contact the payee's payment account representative for drawdown discrepancies or inquiries related to cash balances.

A detailed description of the *Federal Cash Quarterly Confirmation Statement* can be found in *Appendix G* of this guide.

The *Federal Cash Quarterly Confirmation Statement* can also be viewed on-line using the GAPS External Access system. Instructions for on-line viewing are contained in *Appendix A* of this guide.

Program Exceptions

Payees do not report expenditures on the *Federal Cash Award Certification Statement* for the following programs: Impact Aid, Direct Loan, Pell Administrative Cost Allowance Payments, Direct Loan Administrative Payments, or Campus-Based Teacher Cancellation Payments.

See *Chapter 7* in this guide for more information on these programs.

Chapter 5

Controlling The Payee's Funds

The payee is responsible for setting up a financial management system that effectively controls and accounts for payment authorizations, cash disbursements or expenditures (if on an accrual basis), and funds received from the Department of Education through GAPS.

How the payee develops this system and sets up its controls are governed by :

- ◆ generally accepted accounting principles (GAAP),
- ◆ general standards based on Office of Management and Budget (OMB) circulars,
- ◆ Department of Treasury regulations,
- ◆ legislation and regulations applicable to the Department of Education,
- ◆ reporting requirements of the Department of Education,

Payees are responsible for setting up a financial management system, governed by Generally Accepted Accounting Principles, that controls and accounts for federal funds received from the Department of Education.

OMB Circular A-110
establishes the general guidelines
for financial management
systems.

- ◆ grant award authorizations, and
- ◆ the payee's organizational needs.

General Standards

The following general standards, based on OMB Circular A-110, prescribe guidelines for administering grants to institutions of higher education, hospitals, and other non-profit organizations. These standards govern financial management systems, procurement policies and procedures, and property management. They are similar to standards prescribed by OMB Circular A-102 for state or local government recipients of federal grants, which are implemented in Title 34, CFR, parts 74 and 80. If a Cash Management Improvement Act agreement is in place, follow those guidelines for the programs covered under this agreement. (See *Chapter 8* of this guide for further details.)

At the highest level, the payee's system must control and account for the funds received from the Department of Education by:

- ◆ Providing accurate, current, and complete disclosure of financial results for each program or project funded by the Department of Education.
- ◆ Keeping records that adequately identify the source and application of funds for grant activities. These records must have information on the grant authorizations, obligations, unobligated balances, assets, expenditures, cash disbursements, cash on hand, excess cash, and income. If the payee is a state or local government recipient of a grant, the payee is required to keep records on liabilities.
- ◆ Maintaining effective control over and accounting for all funds, property, and other assets. Payees must

adequately watch over their assets and ensure that they are used only for authorized purposes.

- ◆ Comparing cash disbursements with budgeted amounts for each grant award or contract.
- ◆ Setting up procedures to minimize the time between the request, receipt, and disbursement of federal funds.
- ◆ Establishing procedures in accordance with the applicable cost principles and the terms of the award for determining the reasonability, the allowability, and the allocability of costs.
- ◆ Maintaining accounting records that are supported by source documentation.
- ◆ Conducting external or internal audits in accordance with generally accepted auditing standards, including the current standards described in the General Accounting Office publication, *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*. The payee's auditors must meet the criteria for qualifications and independence as discussed in the publication.

Treasury Regulations

The Department of Treasury regulations add another level of standards to follow for controlling and accounting for funds. These standards are based on the following Treasury regulations, which are found in *Treasury Financial Manual, Volume 1:*

- ◆ Part 4, Chapter 2500, Treasury Financial Communications System Payments,

To order the General Accounting Office publication, contact:

Superintendent of Documents
Public Documents Department
U.S. Government Printing Office
710 North Capitol Street, N.W.
Washington, D.C. 20402

The *Treasury Financial Manual* adds another level of standards for the cash management practices and techniques of recipients of federal funds.

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- ◆ Part 6, Chapter 2000, Cash Advances Under Federal Grant and other programs, and
 - ◆ Part 6, Chapter 8000, Cash Management.

In general, the Department of Treasury requires that each federal agency monitor the cash management practices and techniques of its recipients. The federal agency is to make sure that recipients maintain efficient control over collections, promptly deposit receipts, improve disbursement methods, and eliminate idle fund balances.

Based on the Treasury regulations, the payee is required to:

- ◆ Request funds as needed for immediate disbursement (whenever possible) and disburse those funds in a timely manner, usually within three business days.
- ◆ Return excess funds to the Department of Education, which are monitored to ensure that the payee is maintaining a minimal balance of federal funds.
- ◆ Report, in a timely manner, the disbursements and fund balances to the Department of Education.
- ◆ Monitor the funds held by secondary recipients to ensure that they are managed effectively.
- ◆ Insure that advances made by primary recipient organizations to secondary recipient organizations shall conform to the same standards as apply to primary recipients, i.e., funds should be requested as needed for disbursement.

Grant Award Authorizations

The payee's grant award authorization governs the control and accounting of the payee's funds by dictating how the payee requests funds and subsequently reports disbursement of the funds.

Where payees are paid by the advance payment method on grant awards, they are required to request funds only when needed for immediate disbursement. For awards where funds are paid by the reimbursement method, payees request reimbursement for expenditures made during a specific period. Payees must submit form, *SF-270, Request for Advance or Reimbursement*, along with the expenditure documentation supporting the reimbursement request, to the Department of Education program or Regional Office.

The grant award authorization establishes how payees request and report the disbursement of funds.

Organizational Needs

The payee's financial management system should also provide standards for controlling funds at an organizational level. These standards provide for the following:

- ◆ The authorizing official in the payee's organization should know what the balance of available funds is for each grant award when there is a request for funds.
- ◆ The drawdown for each award is the minimum needed to cover immediate disbursement.
- ◆ The payee's system has a way to track and show that for every withdrawal there is a disbursement.
- ◆ The payee's system maintains adequate control of funds so that the payee is not spending more than the payee has. The payee cannot request excess funds to cover future disbursements.

Chapter 6

Returning Federal Funds

As recipients of federal funds through grant award authorizations or contracts, payees are responsible for returning funds to the Department of Education based on the following legislation and standards.

Legislation and Standards

Debt Collection Act and Federal Claims Collections Standards

The Debt Collection Act (31 USC § 3701), the Federal Claims Collections Standards (4 CFR, parts 101 through 105), published jointly by the Department of Justice and the General Accounting Office, and the Debt Collection and Improvement Act of 1996 (PL 1041-34), prescribe that federal agencies:

- ◆ promptly determine and establish debts due the Federal government,
- ◆ promptly notify debtors of any amounts owed, including a description of the procedural rights of a debtor to dispute the debt or arrange for payment,

The audits and reviews described here do not limit the right of the Federal government to perform its own audit. However, the frequency and scope of federal audits may be affected by these audits and reviews.

Please note! If the payee receives specific instructions regarding the return of federal funds, please follow those instructions to ensure proper application to payee's account..

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- ◆ charge interest on unpaid debts at the rate prescribed by the Department of Treasury, unless specifically prohibited by law, and
 - ◆ arrange for payment of funds to the Treasury as quickly as possible.

Single Audit Act

The Single Audit Act of 1984 (PL 98-502, 31 USC §§ 7501 *et seq.*) established audit requirements for state and local governments receiving federal funds. As a result of this law, the audit guidelines in Office of Management and Budget (OMB) Circular A-133 were expanded to include institutions of higher education and other non-profit organizations in addition to state and local governments. See *Audits and Program Reviews* later in this chapter.

When to Return Federal Funds

It is the payee's responsibility to return funds to the Department of Education when:

- ◆ the payee is identified as having excess funds (excess cash on hand) in its possession,
- ◆ the payee has "excess cash" as a result of a reduction to the payee's reported expenditures on a closed award,
- ◆ the payee owes the Department of Education for disallowed expenditures found during an audit or program review, or
- ◆ the payee earned interest on its federal funds.

The rest of this chapter describes how the legislation and standards affect the return of funds to the Department of Education, when the payee should return federal funds, and what happens if the payee fails to do so.

Resolving Excess Cash Balances

Excess cash exists when any grant award has a positive cash balance. This occurs when a payee's net draws exceed expenditures for one or more of the payee's grant awards three business days after the funds have been deposited into the bank account.

Payees should reconcile their grant awards on a regular basis and are required to resolve any excess cash balances throughout the year. A payee can resolve an excess cash balance by:

- ◆ reallocating drawn funds among grant awards to meet immediate cash needs, or
- ◆ returning the funds to the Department of Education.

The FPG will review the payee's ***Federal Cash Award Certification Statement*** to identify any excess cash in the payee's possession. If FPG finds excess cash and the payee has not resolved or refunded those amounts, the payee will receive an additional ***Federal Cash Award Certification Statement*** and a letter (see ***Appendix H*** for an example) notifying the payee to:

- ◆ return the excess funds, or
- ◆ certify that the payee's current disbursements (expenditures) have reduced the excess funds, or
- ◆ contact the payee's payment account representative immediately if the payee finds that the excess funds reported were because of errors made when the payee reported its disbursements (expenditures).

Reconcile grant award accounts on a regular basis throughout the year to identify and resolve excess cash balances.

See *Appendix I* for instructions to ensure that funds returned to the Department of Education are applied to the correct grant award.

Excess cash balances as a result of expenditure reduction on a closed award

The payee may discover that it over-reported expenditures in a prior period for an award that is now closed. This can happen because of an error or due to student refunds that may not have been accounted for. The payee must contact the program office that issued the award and request that the reported expenditures be reduced. The program office will notify the FPG to make the adjustment on awards where appropriations have not been canceled by Treasury M-Account legislation. If the adjustment results in excess cash, then the FPG will notify the payee to return the excess funds. If funds are not returned, the payee will be billed for the excess cash.

Excess cash balances as a result of an inactive award

Every quarter the FPG identifies awards having no activity; for example, no payment requests processed within GAPS. The FPG also receives information from the payee, the Office of Inspector General, and program offices within the Department of Education, indicating that an organization has closed or will be closing. If an organization has closed, the awards are classified as **inactive** only if the end date of the grant has been reached. Inactive awards are reconciled to determine any excess cash balances. If the payee has excess cash that should be returned, the FPG will send a **Federal Cash Award Certification Statement** and a letter to the payee's organization listing:

- ♦ the total dollar amount initially disbursed to the payee,

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- ♦ the payee's total reported expenditures, and
 - ♦ the amount due to the Department of Education.

The payee must report and certify any additional expenditures, determine the excess cash balance, and return this amount to the Department.

Failure to Resolve Excess Cash Balances

If the payee does not resolve the excess cash balances and return the additional ***Federal Cash Award Certification Statement*** by the end of the following month, any of the following penalties may occur:

- ♦ The payee may be transferred from the advance payment method to the reimbursement payment method, which requires that the payee request reimbursement for funds already paid out. Under the reimbursement method, the payee is required to submit copies of the vouchered expenditures supporting the request for reimbursement.
- ♦ The payee may be placed on reimbursement and notified of any outstanding debt that will be offset until the debt is paid. When the payee is placed on administrative offset, the Department of Education will withhold a portion of the payee's payments and apply them toward the payee's debt.
- ♦ The payee's funds may be suspended because the payee was not properly reporting expenditures to the FPG by the due date specified or the payee was holding excess funds.

In addition, the FPG will refer the debt for billing and collection. Subsequently, an accounts receivable entry will be

Failing to resolve excess cash balances may subject the payee to penalties.

established by the Department of Education's Financial Improvement and Receivables Group who will send the payee a bill. Any accrued interest, penalties and administrative fees, as appropriate, will be included in the billing, along with payment instructions for returning excess funds. If the payee needs assistance or has information that may resolve the amount due (or even a portion of the amount due), contact the Department of Education account representative at any time during the 30 days.

If the payee does not pay this bill, the payee's debt will be reviewed for referral to the Department of the Treasury for offset or further debt calculation as mandated under the Debt Collection and Improvement Act of 1996. At that time, collecting the debt is the responsibility of the Department of the Treasury. Any arrangements for payment will be made between the payee and Treasury. The payee needs to be aware that, in addition to the accrued interest, penalty, and administrative charges imposed by the Department of Education, the payee will also be charged the agency's fees for collection.

Audits and Program Reviews

The Department of Education's Office of Inspector General, the Office of the Chief Financial Officer, and certain program offices will perform, issue and review the audits and program reviews for organizations receiving federal funds.

The purpose of audits and program reviews

To determine how effectively payees control their funds. The audit will be done for the payee's entire organization to test the integrity of the payee's financial management system, and to test how the payee complies with the terms of the grant awards. These tests should include an appropriate sampling of the payee's grant awards.

To ensure that the payee's organization is reviewed on a regular basis. The frequency at which the audits will be done depends upon the nature, size, and complexity of the payee's grants. The objective is to ensure that audits are held, regardless of whether they are done on a continuing basis or at scheduled intervals.

To ensure that payees have a systematic method for resolving audit findings and recommendations. The payees' method should also allow for timely and appropriate resolution of the audit results.

To inform the appropriate office within the Department of Education about the payee's federal funds. A copy of the audit report and a description of its resolution shall be furnished to the appropriate office.

How the findings are reported

The findings of an audit or program review are contained in an audit report and sent to the payee. If the audit report informs the payee that funds are due to the Department of Education, the payee will also receive specific instructions for sending the payment. Frequently, the audit report may include a disallowance of expenditures previously reported to FPG on the ***Federal Cash Award Certification Statement***.

If payments are owed, the audit report is also sent to the Financial Improvement and Receivable Group in the Office of the Chief Financial Officer where an accounts receivable entry is established. A bill is issued for the disallowed amount in addition to any accrued interest and penalties. Instructions for payment also are included.

The payee should **not** reduce the amounts reported as expended on the payee's ***Federal Cash Award Certification Statement*** for the disallowances contained in the audit or program review. Any return of funds for these purposes will not be credited to the payee's GAPS award and does not reduce the payee's "Adjusted Federal Cash with Grantee."

It is important that the payee returns the interest earned because if this is not done, future payments will be offset (reduced) by the amount of interest earned. Be sure to write on the payee's check that the payee is refunding interest earned.

How to return federal funds

Payments of \$100,000 and over should be made by FEDWIRE through the payee's financial institution. Payments under \$100,000 should be made by check. See ***Appendix J*** for instructions on sending payments through FEDWIRE. If payment is sent by check, the payee must follow the instructions contained in the audit report. See ***Appendix I*** for specific information related to the payment of funds by check.

Returning Interest Earned

If the payee receives funds for programs not governed by the Cash Management Improvement Act through the advance payment method, and retain those funds in interest-bearing accounts, the payee is required to return the interest earned to the Department of Education at least quarterly, unless federal statute provides otherwise.

When The Payee Has Debts That Are Owed

If payees have debts with the Department of Education, they may be:

- ◆ assessed penalty and administrative charges as well as the accrual of interest on any unpaid balance,
- ◆ referred to a commercial debt collection agency and charged the agency's collection cost,
- ◆ referred to the Department of Justice for collection and legal action,
- ◆ referred to the Department of the Treasury for offset or further debt collection action as mandated under the Debt Collection Improvement Act of 1996,

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- ◆ referred to other government agencies with which the payee is doing business for administrative offset, and possibly,
 - ◆ reported to credit bureaus.

Chapter 7

Other Grant Programs

The majority of recipients will receive their funds in advance from GAPS and report annually on their disbursement of funds. However, payment and reporting procedures are different for the following programs:

- ◆ Impact Aid,
- ◆ Block Grants,
- ◆ Direct Loans,
- ◆ Campus-based Teacher Cancellation, and
- ◆ Pell Administrative Cost Allowances.

This chapter explains those differences.

Impact Aid

Impact Aid funds under Title VIII of PL 103-382 (20 USC §§ 7701 *et seq.*) are issued to school districts for maintaining and operating their schools. To be a recipient, the Division of Impact Aid in the Office of Elementary and

Secondary Education (OESE) receives an application for funds from a local school district. Payees must include a certification that they will file a copy of the application with their state (34 CFR 222.3 (a1)). The funds are allocated based upon appropriations received and the information provided by school districts.

In turn, the OESE prepares a file listing funds authorized by school district receiving funds, and the amount to be paid to each school district. These files are sent electronically to GAPS for processing.

Impact Aid payments

Payments of Impact Aid funds are made electronically using either ACH or FEDWIRE. The funds are deposited into a depositor account at the financial institution that the payee's school district designates. The payee will receive funds delivered through ACH within three days from the date that the FPG receives the OESE payment schedule. Payments made by FEDWIRE are deposited the same day that FPG processes the request, if done by 12:30 p.m. ET. Deposits for payment requests processed after that time will be made the next business day.

Once a payment is processed successfully, the FPG notifies the Impact Aid office. The office mails a form to the payee's school district, stating the payment and calculations used in arriving at the payment amount.

Payments are rejected automatically by financial institutions that no longer provide a service to a school district. Therefore, upon receipt of the OESE notification that a payment has been made to the payee's school district, immediately call the payee's financial institution. If the payment is to be deposited in the State treasury, call the Treasurer's office and advise them of the payment. If the payee's financial institution or State treasury has not received a

payment, call the FPG for assistance. Be sure to advise the FPG when:

- ◆ the financial institution changes, or
- ◆ the depositor account at the financial institution changes.

Reporting requirements for Impact Aid funds

The program office may require the payee to report Impact Aid disbursements to them; however, the payee is not required to report these disbursements to the FPG using the *Federal Cash Award Certification Statement*.

Block Grants

Block Grant payments

Block grants are issued to states by the Department of Education. Payments are made using FEDWIRE to the depositor account at a financial institution that the state specifies. Designated individuals (authorized by a state official) place requests for payments directly with the FPG. These individuals are required to request funds, as needed, to meet immediate disbursement needs.

Reporting requirements for Block Grants

The program office may require the payee to report Block Grant disbursements to them; however, the payee is not required to report these disbursements to the FPG using the *Federal Cash Award Certification Statement*.

Direct Loan Program

Direct Loan payments

Direct Loan payments are made electronically using ACH or FEDWIRE. The funds are deposited into a depositor account at the financial institution that the payee's organization designates. The payee will receive these funds within three days from the date that the FPG receives the payee's request for payment by ACH. For FEDWIRE payments, payment will be received within one business day from the date that FPG receives the payee's payment request.

Reporting requirements for the Direct Loan program

The program office may require the payee to report Direct Loan disbursements to them; however, the payee is not required to report these disbursements to the FPG using the *Federal Cash Award Certification Statement*.

Campus-Based Teacher Cancellation Program and Pell Administrative Cost Allowances

Payments

Institutions receive Pell Administrative Cost Allowance payments, or, if entitled, Campus-based Teacher Cancellation Program Allowance payments automatically. The respective program office initiates payments to institutions based on a number of criteria determined by program regulations and legislation. Each program office sends a letter to the institution explaining how the amount was derived.

Payments are made electronically using ACH. The funds are deposited into a depositor account at the financial institution that the payee's organization designates. The payee will receive these funds within three days from the date that the FPG receives the OPE payment schedule.

Reporting requirements

The program office may require the payee to report to them on disbursements of Campus-based Teacher Cancellation Program and Pell Administrative Cost Allowances. However, the payee is not required to report these disbursements to the FPG using the *Federal Cash Award Certification Statement*.

Chapter 8

Governing Authorities, Related Processes and Legislation

To help payees better understand the governing authorities, related processes and legislation that affect how they report, track, and access information on their federal funds, this chapter describes:

- ◆ the governing authorities for Department of Education grant and loan programs,
- ◆ the process used for identifying grant awards for suspension,
- ◆ the legislation impacting the payee's obligations for reporting and tracking funds within the payee's grant awards, and
- ◆ the legislation affecting the disbursement of funds between the federal government and states.

Governing Authorities

Basic authorities

On October 17, 1979, the Department of Education Organization Act (PL 96-88) ended the Office of Education under the Department of Health, Education, and Welfare. Section 301 of the act (20 USC §§ 3441 *et seq.*) transferred the functions of the Office of Education to the Department of Education.

OMB circulars

OMB circulars A-102 and A-110 prescribe uniform policies for federal agencies administering grants. (This applies only for those programs not superseded by Cash Management Improvement Act legislation.) Circular A-102 applies to grants made to states, local governments, and federally recognized Indian tribal governments. Circular A-110 addresses grants to institutions of higher education, hospitals, non-profit organizations, and other non-governmental organizations.

Education Department General Administrative Regulations (EDGAR) (34 CFR, parts 74 through 86) have been updated and codified by the director, Grants Policy Oversight Staff. Part 74 implements circular A-110, and part 80 implements circular A-102. These parts contain the Department of Education's policy discretionary and formula grant administration. (This does not apply to Student Financial Aid programs.)

Treasury regulations

The *Treasury Financial Manual* prescribes procedures for federal agencies to withdraw cash from the Treasury for advance under federal programs. Here are the pertinent regulations and delegations of authority:

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- ◆ Volume I, *Treasury Financial Manual*, Part 6, Chapter 2000, and Part 6, Chapter 8000, addresses cash management practices and cash advances.
 - ◆ Treasury circular 1084, *Regulations Governing Cash Management Practices Within the Federal Government*, is issued under the authority of 5 USC § 301.
 - ◆ Since September 1986, the Department of Treasury has authorized the Department of Education to electronically disburse program grant funds directly through the Federal Reserve Network.
 - ◆ Since November 1986, the Department of Education, the Department of Treasury, and the Federal Reserve Bank have agreed to let the Department of Education disburse funds through ACH.
 - ◆ Since November 1987, the Department of Treasury has authorized the Department of Education to use FEDWIRE for disbursing grant funds through the Federal Reserve Network.
 - ◆ The Cash Management Improvement Act of 1990 (PL 101-453) provides for the timely disbursement of federal funds between the federal government and the states (31 USC § 650). It also provides for the payment of interest by either the federal government or the states for failure to comply with the act. PL 101-453 became effective in October 1992 and Congress granted an extension for implementing the interest accrual provisions from October 1992 to July 1, 1993, or the first day of a state's 1994 fiscal year, whichever is later (PL 102-589, 31 USC § 6503 note).
 - ◆ The Chief Financial Officers Act of 1990 (PL 101-576, 31 USC § 501) consolidates all financial management activities within each federal agency under a chief

financial officer. It also requires the preparation and submission of annual financial statements to OMB.

Department of Education policy

The Federal Grant and Cooperative Agreement Act of 1977 (PL 95-224, 31 USC § 6301) prescribes the instrument to be used in awarding grants and contracts. The Higher Education Act of 1965 (as amended) governs Title IV Student Assistance programs.

Suspension of Funds

How the process works

The suspension process serves as a safety net for insuring that unexpended funds are reduced on expired grant awards. The suspension of funds begins immediately following the liquidation period for the grant award. However, before the unexpended funds are removed and the grant award is closed-out, the program offices affected by the suspension have approximately three months to make authorization or budget and date adjustments to the expired awards. If adjustments are not necessary or are not authorized by the office issuing the grant award, the automated suspension process automatically reduces the grant award to the level of expenditures reported on the *Federal Cash Award Certification Statement*.

What payees are responsible for

Both the payee and the program offices are responsible for reviewing each grant award and making the necessary adjustments to ensure that the awards are closed-out at the correct disbursement levels. By reviewing their *Federal Cash Quarterly Confirmation Statement* on a regular basis, payees can ensure that the disbursement of funds is recorded correctly. If the payee needs to make adjustments (such as requesting

The suspension process does not replace the current grant closeout process, nor does it replace any of the responsibilities of the Grants Policy Oversight Staff or program offices.

an extension to the award end date or restoring authorizations that had been reduced) forward the payee's request to the program office issuing the grant award. If the payee is required to report expenditures to a program office, the payee should ensure that the expenditures reported on the **Federal Cash Award Certification Statement** and on program reports agree before the awards are closed.

M-Account Legislation

The National Defense Authorization Act of fiscal year 1991 (PL 101-510, 31 USC § 1551), also known as M-Account legislation, was enacted by Congress in November 1990. This law restricts the period of obligation, disbursement, tracking, and reporting of federal funds to five years after the period of availability for obligation ends.

How the legislation works

All federal agencies are required to report and track federal funds for five years. Previously, there were no restrictions on the number of years that federal agencies maintained accounts at the Treasury (X-year funds are excluded).

All unexpended funds are canceled five years after the period of availability for obligation ends (or 5 years after the award expiration date). All unexpended funds up to and including FY 1992 have been canceled by the Treasury. These funds will not be available for restoration. However, up to *1 percent of the current year's appropriation* can be used by the Department of Education toward a valid obligation on closed awards as long as the original authorized amount of an award is not exceeded. This will reduce the current year's amount available to program offices for issuing new grant awards.

What are the payee's responsibilities?

Payees should Review their *Federal Cash Quarterly Confirmation Statement*. It is imperative that the payees carefully review their *Federal Cash Quarterly Confirmation Statement* each quarter to ensure that all authorizations, drawdowns, adjustments, returns, and refunds are referenced correctly, and that the previous year's grant awards are correct. For example, if the expended amount is less than the authorized amount of the grant award, the award will be reduced to the level of the last reported expenditure. This means that the payee's current funds available in the payee's grant awards will decrease.

Report any discrepancies in drawdowns, adjustments, returns, or refunds to the FPG.

Work with the issuing grants or program office to resolve problems. If payees experience problems related to the obligation of funds or the reduction of funds on grant awards, they must work with the Department of Education program office responsible for issuing the grant and ensure that any adjustments to the obligation have been made prior to the end of the fiscal year. Payees must be sure that they reported the same expenditures for the grant award to their program office that they reported on *Federal Cash Award Certification Statement*.

How available funds are calculated

As part of tracking their funds, payees should know how their available funds are calculated. To find out the total funds available, **subtract** the total funds paid to the payee on each award **from** the payee's total cumulative award authorizations.

Cash Management Improvement Act

The Cash Management Improvement Act of 1990 (PL 101-453), or CMIA '90, was enacted in October 1990 and implemented in July 1993.

The main objective of this legislation is to improve business relationships between the Federal and state governments through the use of sound cash management principles. More specifically, CMIA '90 was enacted:

- ◆ to improve the transfer (disbursement) of funds between federal agencies and the states, and
- ◆ to require that states make timely requests for funds to federal agencies, and that federal agencies make timely disbursement of the funds to states.

The Act also requires the federal government to pay interest to the state if there is not a timely transfer of funds. The states are required to pay interest to the federal government if there is not a timely disbursement of funds. However, the objective of the law is not to calculate and pay interest.

How the legislation works

CMIA '90 requires that the Secretary of the Treasury enter into an agreement with each state. This agreement defines the provisions and procedures unique to each state in complying with the act, and it may contain:

- ◆ the definition of a state,
- ◆ the funding techniques used for each program covered under the Act, and
- ◆ the method for calculating interest.

Each year the Treasury finalizes an agreement with each state. Both the State and federal agencies must ensure that the conditions agreed to are met. It is the responsibility of each federal agency to ensure that payments are made promptly, and then, to provide the Treasury with verification of these payments, which may result in the payment of interest to or from a state. States are required to track programs and to calculate federal interest liabilities and state interest liabilities by program. States shall submit an annual report to Treasury accounting for the interest liabilities, or receivables.

Who participates?

All states and territories negotiate agreements. Each state identifies the programs to be covered under these agreements. The Department of Education programs usually included in these agreements are:

- ◆ Rehabilitation Service Administration (basic support),
- ◆ Title I Grants for Local Education Agencies, and
- ◆ Special Education (state grants).

Additional federal programs have been added and continue to change each year when new agreements are negotiated. Also, the inclusion of specific federal programs must be agreed to by both the State and Secretary of the Treasury.

Programs that have payments subject to the Prompt Pay Act of 1982 are excluded from CMIA 90.

Glossary with Acronyms

ACH The acronym for Automated Clearing House. A method of payment in which funds are transferred through the Federal Reserve Bank into the payee's depositor account at a designated financial institution. The funds are deposited into the account, and available for use one to two days after the Federal Reserve Bank Network receives payment information. This payment method is also called **direct deposit**.

ADVANCE PAYMENT METHOD A method for payment of requested funds. The funds that the payee actually draws down to meet immediate cash needs on a grant award. See also *expenditure* and *reimbursement*.

AUTHORIZATION A grant award, contract, cooperative agreement, or similar document advising payees of the federal funds available for a program for a specific period of time.

AUTHORIZING OFFICIAL The individual in the payee's organization who has the authority to approve those individuals who can request funds from the Department of Education. The chief financial officer is the authorizing official in most organizations.

AUTOMATED CLEARING HOUSE see ACH.

AUTOMATED SUSPENSION An automated process within GAPS that identifies expired grant awards. Once identified, this process suspends unexpended funds prior to closing out the grant award.

AWARD A legal document, issued by a program office or by the Grant Policy Oversight Staff, obligating the Department to provide funds, through GAPS, in support of education programs. See also *authorization*.

AWARD PERIODS Awards issued to grantees will enter several different periods over time. The length of the award periods will vary by program. These periods include:

- **Performance Period** -- The period of time between the grant award begin date and the grant award end date during which the grantee performs the requirements of the grant award. During this time, a payee may request funds, make adjustments to payment requests, and report expenditures on the award. Once the performance period ends, a grant award begins the close-out process. The closeout process includes the following periods: liquidation, suspension, and closeout.
- **Liquidation Period** -- Liquidation is the period immediately following the end of the performance period. During liquidation, no new authorizations may be made on an award, but payment requests and adjustments may still be processed for expenditures incurred during the performance period. Payees can also report expenditures during this period.
- **Suspension Period** -- The suspension period follows liquidation. During the suspension period, no new payment actions can take place without the approval of the program office. Payees can only report expenditures against the grant award.

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- **Closeout** -- Closeout follows the suspension period. During this period, the award is closed and any remaining funds are de-obligated.

BEGIN/END DATE The month and year on which a grant award begins and ends. It is the funding period for the award, plus any amendment. Normally, the funding period is 12 months.

BLOCK GRANTS Grants that are specifically issued to government units in accordance with statutory requirements. Such grants may be used for a variety of activities within a broad area of responsibility.

BUDGET PERIOD Usually, a 12-month period where a grant award has an approved budget. See also *project period award*.

CASH BASIS The basis of accounting where revenues are recorded when cash is received, and expenditures are recorded when cash is disbursed.

CASH ON HAND (COH) The amount of federal funds in the depositor account at the payee's financial institution which have not been disbursed. The balance is calculated as the total funds received, less the Federal share of disbursements reported in GAPS and any refunds received. The balance does not include accruals, accounts payable, or funds belonging to the Department of Education (e.g., interest earned). See also *excess cash*.

CFDA The acronym for Catalog of Federal Domestic Assistance. For example, CFDA code 84.063 identifies a program in the Department (84 represents the Department of Education) and the program (063 represents the Pell program). The program code is also part of the *grant award number* issued by the Department of Education.

CLOSEOUT The process of closing a suspended grant award. During this period, the award is closed and any remaining funds are de-obligated. The award file is sent to the Federal Records Center. See also *award periods*.

CONTROL NUMBER A 12-digit number assigned by GAPS to all payment requests. The control number is used to track the payment request during its processing by GAPS. It consists of the date of the request expressed as YYYYMMDD and a unique 4-digit sequence number.

CMIA '90 The Cash Management Improvement Act (PL 101-453) referred to as CMIA 90, was enacted in October 1990 for improving cash management practices between federal and state governments.

DISBURSEMENTS The funds that payees actually spend for administering a grant award. Payees must report their disbursements on the *Federal Cash Award Certification Statement*. This term is synonymous with *expenditure*.

DISCRETIONARY GRANT AWARD A grant award that is usually awarded by competition for a defined project of limited time. The conditions of this award are that no future funds are committed and that the grant is fully obligated at the time award is issued.

DOCUMENT NUMBER See Grant Award Number.

DRAWDOWN The process of requesting a payment from the payee's grant award and receiving the payment into the payee's depositor account at the payee's financial institution or bank.

D-U-N-S Number The acronym for the Dun and Bradstreet Number. The D-U-N-S number is a unique identification code that is assigned to an institution by Dun & Bradstreet, a nationally recognized credit rating bureau.

EDCAPS The acronym for the Department of Education Central Automated Processing System. EDCAPS is a

centralized financial management system designed to integrate the Department's separate financial processes including financial management, contracts and purchasing, grants administration, and payment management.

EFT The acronym for Electronic Funds Transfer. The transfer of funds through the Federal Reserve Bank network to financial institutions (or between financial institutions) using telecommunications.

EXCESS CASH The amount of federal funds in the depositor account at the payee's financial institution which have not been disbursed to recipients in the required program time frame, usually three business days. See also *cash on hand*.

EXPENDITURE The funds spent to meet expenses for administering a grant award. Payees must report their expenditures on the *Federal Cash Award Certification Statement*. See also *disbursements*.

EXTERNAL ACCESS SYSTEM The system that payees use to access GAPS to make payment requests and report expenditures.

FIRG The acronym for the Financial Improvement and Receivables Group, a subdivision of Financial Improvement, Receivables and Post Audit Operations in the Department of Education.

FIRPAO The acronym for Financial Improvement, Receivables and Post Audit Operations, a division of the Department of Education's Office of the Chief Financial Officer.

FPCMO The acronym for Financial Payment and Cash Management Operations, a division of the Department of Education's Office of the Chief Financial Officer.

FPG The acronym for the Financial Payment Group, a subdivision of Financial Payment and Cash Management Operations in the Department of Education.

FEDWIRE A payment method allowing for the electronic transfer of funds through the Federal Reserve Bank network directly into the payee's depositor account at the payee's financial institution. Financial institutions charge their customers for this service.

FISCAL YEAR (FY) The fiscal year for the federal government begins October 1 and ends the following September 30.

FORMULA GRANT A grant where the funds are awarded to a state based upon a formula defined in the program statute or Department of Education regulations. These funds may be allocated, by a state, to local education agencies in support of continuous educational activities. They have a 15 month obligation period with an additional 12 months to report expenditures.

GAPS The acronym for the Grant Administration and Payment System. GAPS is that part of the Education Central Automated Processing System (EDCAPS) which manages the complete grant cycle. By managing the complete grant cycle, GAPS provides full financial management support services in a single system. Functions supported by GAPS include everything from obligation of award authorizations and disbursement of funds to annual certification of expenditures and final grant closeout. In addition, GAPS controls payments for the Department's programs, including payments for Student Financial Assistance (SFA) program grants, direct loans, and various other program-related obligations.

GRANT AWARD NUMBER The Department of Education assigns a unique, eleven-character number to identify a grant award issued by a specific office to a specific grantee. Each grant award has a series of codes identifying: the program office issuing the award, the CFDA code, the funding fiscal

year, and the organization receiving the grant. For example, the grant award number P063P9821111 refers to a grant issued by the Pell Grant program office within the Office of Postsecondary Education during the 1998 fiscal year.

LIQUIDATION PERIOD Liquidation is the period immediately following the end of the performance period of a grant award. This is the first step in the closeout process. See also *award periods*.

M-ACCOUNT LEGISLATION The National Defense Authorization Act of 1991 (PL 101-510, 31 USC § 1551), also, referred to as the M-Account Legislation, prescribes that federal agencies track and report on federal funds in the current year and for five years after the award expiration date (period of availability). After the five years, the Department of Treasury will cancel any unexpended or unobligated funds remaining on an award. These funds cannot be restored. (X-year funds are excluded.)

OBEMLA The acronym for the Office of Bilingual Education and Minority Language Affairs, a program office in the Department of Education.

OBLIGATION An encumbrance of funds issued by the Department of Education to a grantee in support of education projects.

OC Object Class. Also referred to as Objective Classification, is a method of recording financial transactions in terms of the nature of the services or articles for which obligations are first incurred. This method is prescribed by the OMB circular A-12 and the Department of Treasury circular 1073. It is used throughout the federal government when submitting budgets.

OCFO The acronym for the Department of Education's Office of the Chief Financial Officer.

OCR The acronym for the Office of Civil Rights, a program office in the Department of Education.

OERI The acronym for the Office of Educational research and Improvement, a program office in the Department of Education.

OESE The acronym for the Office of Elementary and Secondary Education, a program office in the Department of Education.

OMB The acronym for the Office of Management and Budget.

OPE The acronym for the Office of Postsecondary Education, a program office in the Department of Education.

OSERS The acronym for the Office of Special Education and Rehabilitative Services, a program office in the Department of Education.

OVAE The acronym for the Office of Vocational and Adult Education, a program office in the Department of Education.

PASSWORD The password is a unique, eight-character string that may consist of letters and numbers. Payees use the password along with the User Identification to access GAPS. See also *User Identification*.

PAYEE The recipient (organization or individual) of Department of Education funds who is responsible for accounting for those funds. The payee may be a single entity, such as a college, or a central finance office which requests funds and prepares financial reports for several organizations within its system.

PAYMENT The funds that GAPS has deposited into the payee's account at the payee's financial institution or bank. The payment must be disbursed within three business days.

PERFORMANCE PERIOD The period of time between the grant award begin date and the grant award end date during which the grantee performs the requirements of the grant award. See also *award periods*.

PROJECT PERIOD AWARD A grant award covering a 12-month period for discretionary grants and a 15-month period for formula grants that is divided into several distinct periods. This award is funded on a budget period that is either committed to or subject to the availability of funds. See also *budget period*.

REIMBURSEMENT A method for payment of requested funds. Prior review and approval of payment requests, based on incurred expenditures, is required by the Department of Education before payment is made. See also *disbursement* and *expenditure*.

RS The acronym for the Recipient System. A system containing a list, or registry, of all organizations doing business with the Department of Education. The system maintains each organization's name, address, and D-U-N-S Number or SSN.

SERVICE BUREAU An organization providing any of the following services for the Department of Education: accumulating financial data, verifying the data received, and entering the data into GAPS for processing payments and preparing internal and external financial reports.

SERVICER An organization or individual contracted by a recipient to perform financial or other services which may include interacting with offices at the Department of Education on the recipient's behalf.

SSN The acronym for Social Security Number. The SSN is a unique nine-digit number assigned by the Social Security Administration that uniquely identifies an individual receiving Department of Education Funds.

STATUS OF AWARD See Award Periods.

SUSPENSION PERIOD The suspension period of a grant award follows the liquidation period. During the suspension period, no new payment actions can take place. This is the second step in closeout process. See also *award periods*.

TIN The acronym for Taxpayer Identification Number. The TIN is a unique nine-digit number assigned by the Internal Revenue Service that uniquely identifies organizations receiving funds from the Department of Education.

TREASURY CHECK A method of payment in which the Department of Treasury issues a check to recipients. This method has been eliminated in GAPS. PL 1041-34 mandates that all Federal Payments be issued by electronic funds transfer. See also *EFT*.

USER IDENTIFICATION User ID. A unique eight-character string that the Department of Education issues to payees. The GAPS User ID and password are required for a payee to access GAPS.

Appendices

APPENDIX	DESCRIPTION
A	GAPS External Access User's Guide
B	Service Bureau Payment Request Procedures
C	Instructions--Request for Advance or Reimbursement (SF-270)
D	Instructions--ACH Direct Deposit Sign-up Form (SF-1199A)
E	FEDWIRE Financial Institution Information Update
F	Instructions-- <u>Federal Cash Award Certification Statement</u>
G	Instructions-- <u>Federal Cash Quarterly Confirmation Statement</u>
H	Excess Funds Notification Letter
I	Remitting Payments by Check
J	Remitting Payments by FEDWIRE

APPENDIX A

GAPS External Access User's Guide

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GAPS External Access User's Guide

A.1. Introduction

This Appendix provides a guide for users of the External Access functionality of GAPS. External Access enables external users to access a subset of the Payment Processing and Expenditure Processing functions of GAPS.

A.2. System Requirements

To use the GAPS External Access system, the user must have a personal computer with a modem and access to the Internet. The *minimum recommended* configuration of the user's system is as follows:

- Web browser software: Netscape Navigator 3.0, Microsoft Internet Explorer 2.0 or equivalent browser supporting Secure Socket Layer (SSL).
- RAM: as required by your web-browser or Internet service provider.
- Processor (CPU) speed: as required by your web browser software or Internet service provider.
- Modem speed: 9600 Kb/sec.

This minimum recommended configuration should provide users with satisfactory performance when they use the GAPS External Access System.

A.3. Accessing the GAPS External Access System

GAPS External Access is available through the World Wide Web. A training web site has been developed as well as the production web site. The training site provides a means for users to become familiar with GAPS prior to using the production site.

A.3.1 GAPS Training Web Site

To use the GAPS Training Web site, "point" the web browser to the Department of Education's web server at:

<http://gapsweb.ed.gov/training>

The GAPS training web site has been developed for users to familiarize themselves with the various GAPS screens and the data contained within those screens. It also allows the user to become familiar with navigation in GAPS. The data contained within the training site is static representative data and is presented for illustrative purposes only. It is recommended that users access this web site and become familiar with GAPS before the user begins to use the GAPS production web site. The User ID and Password for the training web site are: GAPSUSER and TRAINING.

NOTE: The GAPS External Access User's Guide is designed to be used as a tutorial for the training web site. However, in order to provide maximum benefit during training sessions and to ensure consistency of data when navigating through the GAPS application, **please use the same data that is presented on the sample screens in this guide.**

A.3.2 GAPS Production Web Site

To use the GAPS Production Web Site, "point" the web browser to the Department of Education's web server at:

<http://gapsweb.ed.gov>

The user will then use the on-window controls to navigate to the GAPS External Access **Logon** window. The next section describes the process of logging on to the GAPS External Access system.

A.4. Starting to Use the GAPS External Access System

A.4.1 Logging On to GAPS

To use the GAPS External Access system, log-on to GAPS using the Logon window shown in Figure A-1.

The screenshot shows a Netscape browser window titled "Netscape: [Department of Education Grant Administration and Payment System]". The address bar contains "http://www.ed.gov/gaps/". The page content includes the U.S. Department of Education logo and the text "U.S. Department of Education Grant Administration and Payment System". Below this, there are input fields for "User ID:" and "Password:", followed by "OK" and "Cancel" buttons. At the bottom, there is a footer with contact information: "Please send your comments/suggestions/questions to Web Master OR Call 1-800-XXX-YYYY" and a disclaimer: "Unauthorized access to the system is illegal and may result in prosecution."

Figure A-1: Logon Window

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You must enter the following information on this window:

Table A- 1: Logon Window Field Descriptions

Field	Description
User ID	A unique eight-character string that the Department of Education issues to authorized users of the GAPS External Access system.
Password	A unique, eight-character string that may consist of letters and numbers.

GAPS masks the text typed in the password field using the asterisk "*" character. After typing the User ID and password, submit the information by clicking the **OK** button  or clear the information by clicking the **Cancel** button .

When the user clicks , GAPS will validate the entered User ID and Password information against the GAPS user accounts. If the validation fails, the **Logon** window reappears with an error message. If the validation succeeds, GAPS then uses the User ID to determine the associated payee. At this point, one of the following events will happen:

- If the User ID is not associated with a payee or is associated with more than one payee, the Logon window reappears with an error message.
- If the number of unsuccessful attempts to log on to the system exceeds three, the User ID and password are disabled. The user receives a message on the window informing them to call their account representative to have their User ID and password reset.
- If the User ID is associated with exactly one payee, the **Main Menu** window is displayed (Figure A-2).

A.4.2 GAPS External Access Functions

The GAPS External Access system enables authorized users to access the payment processing and expenditure reporting functions of GAPS. The user accesses the functions of the GAPS External Access system from the **Main Menu** window (Figure A-2).

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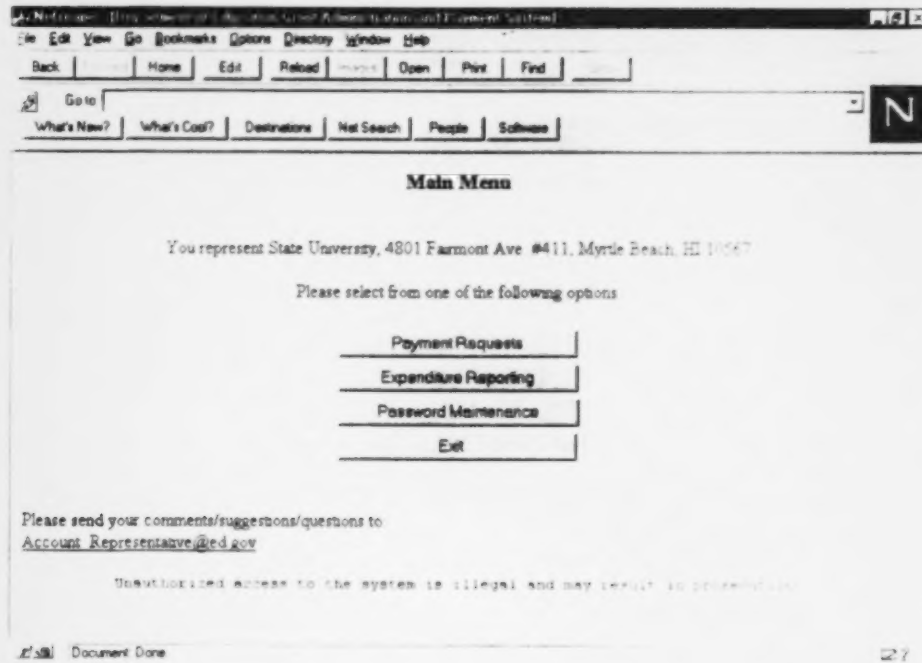


Figure A- 2: Main Menu Window

The Main Menu window displays the payee that the authorized User ID and password represents and enables the user to access the GAPS External Access functions. The Main Menu buttons are identified and a description of each is provided below.

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<u>Button and Function</u>	<u>Description</u>
Payment Requests Go to the Payment Requests Menu.	Enables the user to create, modify, view, and adjust drawdown amounts for grant payment requests and view grant award authorization history. See section B.5 for detailed instructions. The user may also create, modify, and adjust drawdown amounts for direct loan payment requests. See section B.6 for detailed instructions.
Expenditure Reporting Go to the Expenditure Reporting Menu.	Enables the user to view the <u>Federal Cash Quarterly Confirmation Statement</u> and <u>Federal Cash Award Certification Statement</u> . Enables the user to adjust expenditure reporting on the current <u>Federal Cash Award Certification Statement</u> . See section B.7 for detailed instructions.
Password Maintenance Go to the Password Maintenance Menu.	Enables the user to change the current password associated with the User ID used when logging on to the GAPS External Access system. See section B.8 for detailed instructions.
Exit Go to the Exit window.	Enables the user to exit (quit) the GAPS External Access system. See section B.9 for detailed instructions.

Click the button on the **Main Menu** window that corresponds to the function desired. Go to the appropriate section of this guide for detailed instructions.

A.5. Payment Requests

When the user clicks on the **Payment Requests** button on the Main Menu Window, GAPS displays the Payment Requests Menu window shown in Figure A-3.

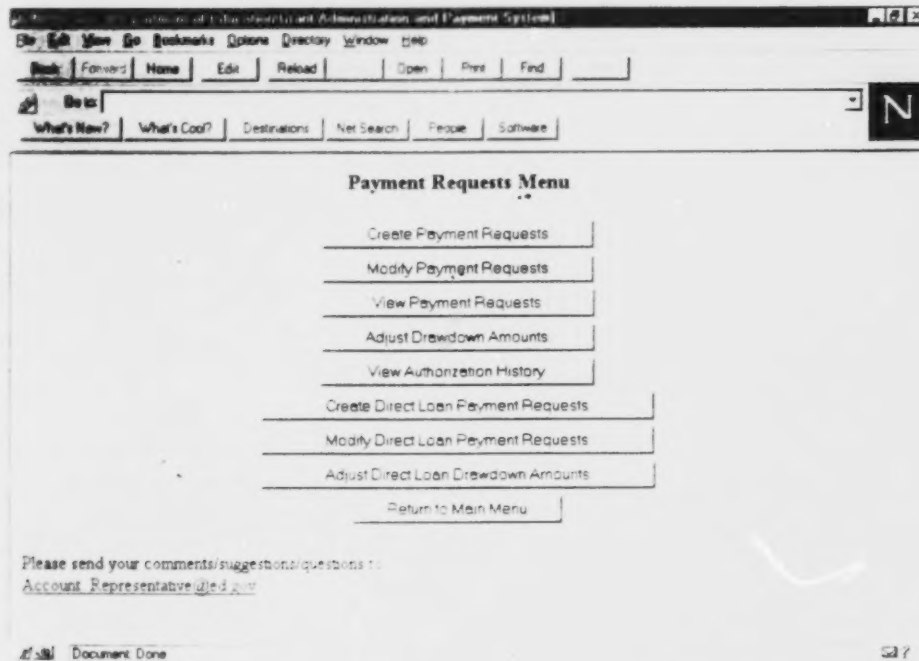


Figure A-3: Payments Requests Menu Window

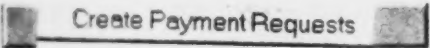
The Payment Request Menu window enables the user to access all of the GAPS External Access functions required to create, modify, view, and adjust drawdown amounts for grant payment requests and view grant award authorization history. You may also access the functions required to create, modify and adjust drawdown amounts for direct loan payment requests. The Payment Requests Menu buttons are identified and a description of each is provided below.

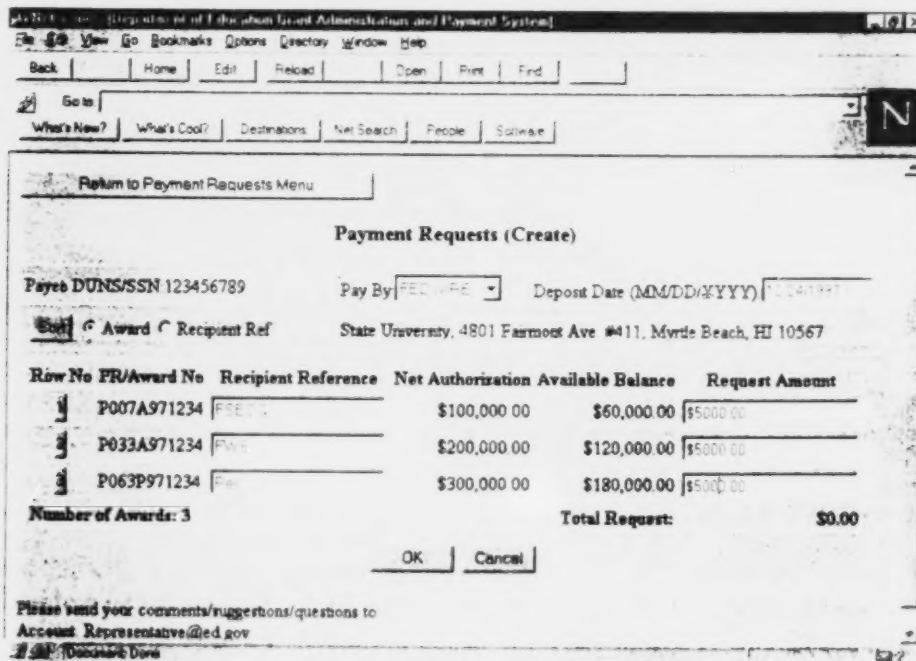
BEST COPY AVAILABLE

Button and Function	Description
Create Payment Requests Go to the Payment Requests (Create) window.	Enables the user to create new payment requests for grant awards. See section B.5.1 for detailed instructions.
Modify Payment Requests Go to the Payment Requests (Modify) window.	Enables the user to modify or cancel payment requests that have not been scheduled for payment. See section B.5.2 for detailed instructions.
View Payment Requests Go to the View Payment Requests window.	Enables the user to view the status of payment requests. See section B.5.3 for detailed instructions.
Adjust Drawdown Amounts Go to the Adjust Drawdown Amounts window.	Enables the user to adjust drawdown amounts between awards as long as the net is zero. See section B.5.4 for detailed instructions.
View Authorization History Go to the Authorization History window.	Enables the user to view the history of authorizations on the awards. See section B.5.5 for detailed instructions.
Create Direct Loan Payment Requests Go to the Direct Loan Payment Requests (Create) window.	Enables the user to create new payment requests for Direct Loan programs. See section B.6.1 for detailed instructions.
Modify Direct Loan Payment Requests Go to the Direct Loan Payment Requests (Modify) window.	Enables the user to modify those payment requests for Direct Loan programs that have not been scheduled for payment. See section B.6.2 for detailed instructions.
Adjust Direct Loan Drawdown Amounts Go to the Adjust Direct Loan Payment Requests window.	Enables the user to adjust the drawdown amounts of Direct Loan Payment requests. See section B.6.3 for detailed instructions.
Return to Main Menu Go to the Main Menu window.	Enables the user to leave the Payment Requests Menu.

Click the button on the Payment Requests Menu window that corresponds to the function desired. Refer to the appropriate sections of this appendix for detailed instructions.

A.5.1 Creating A Payment Request

When the user clicks  on the Payment Requests Menu window, the GAPS External Access system displays the Payment Requests (Create) window shown in Figure A-4.



Return to Payment Requests Menu

Payment Requests (Create)

Payee DUNS/SSN 123456789 Pay By Deposit Date (MM/DD/YYYY)

☒ Award ☐ Recipient Ref State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

Row No	FR/Award No	Recipient Reference	Net Authorization	Available Balance	Request Amount
1	P007A971234	FR	\$100,000.00	\$60,000.00	\$5000.00
2	P033A971234	FR	\$200,000.00	\$120,000.00	\$5000.00
3	P063P971234	FR	\$300,000.00	\$180,000.00	\$5000.00

Number of Awards: 3 Total Request: \$0.00

OK Cancel

Please send your comments/suggestions/questions to Account_Representative@ed.gov

Figure A- 4: Payment Requests (Create) Window

This window displays a list of the awards associated with the payee, with corresponding authorized and available balances, for which drawdowns can be initiated. A brief description of each field is contained in Table A-2.

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Table A- 2: Payment Requests (Create) Field Descriptions

Field	Description
Payee DUNS/SSN	Displays the payee's D-U-N-S Number (DUNS) or Social Security Number (SSN).
Pay By	Displays the default method of funds transfer for the Payee. Select either ACH, for direct deposit through the Automated Clearing House, or FEDWIRE for payments by that method.
Deposit Date	Displays the month, day, and year of the default Deposit Date for the payment method selected in Pay By field. Enter desired Deposit Date in format MM/DD/YYYY if later than default date displayed.
Sort	Enables the user to sort the list of awards by its unique identifier (PR/Award No) or by the Recipient Reference (Recipient Reference) fields.
Payee Identification	Displays the name and address of the payee that the user represents.
Row No	Displays the row number buttons for each award.
PR/Award No	Displays the unique identifier for the grant award.
Recipient Reference	Displays the recipient reference, a payee-assigned name for each award. The user can change the Recipient Reference at any time.
Net Authorization	Displays the authorized balance for the award.
Available Balance	Displays the available balance for the award.
Request Amount	Enter the amount requested for each award.
Number of Awards	Displays the total number of awards associated with the payee.
Total Request	Displays the total dollar amount of the requests made on this window.

The list only includes awards that are in performance or liquidation status. The list may also include awards in stop payment and on-reimbursement status, awards with invalid bank account codes, and awards that are in stop payment status. However, the **Request** fields for such awards are displayed in a "read-only" mode, (that is, they are "grayed out") and will not accept entries.

A.5.1.1 Changing the Payment Method and Deposit Date

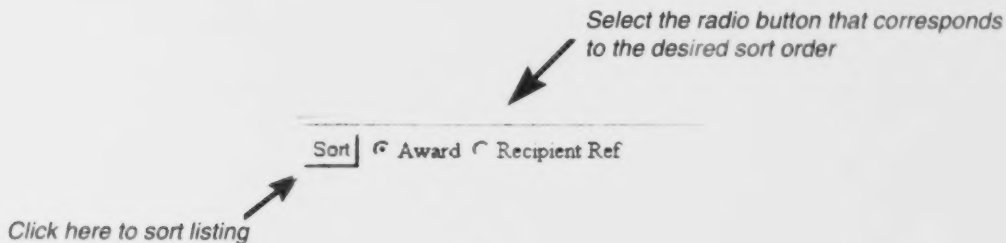
The GAPS External Access system initially sets the **Pay By** method of transmission to the default method established for the payee in GAPS. The default **Deposit Date** displayed is based on the selected method of transmission. For payments by ACH direct deposit, the default **Deposit Date** is the current date plus two days. For payments by FEDWIRE, if the current time is less than or equal to 12:30 p.m. Eastern Time, the default **Deposit Date** is the current date.

Otherwise, the default **Deposit Date** is the current date plus one day. The user can change the defaults for the **Pay By** method of transmission and the **Deposit Date**. However, the **Deposit Date** entered should never be earlier than the displayed default date. Entering an incorrect **Deposit Date** will cause an error when the transaction is submitted.

NOTE: The External Access system *does not* automatically update the **Deposit Date** field when the user changes the **Pay By** method of transmission field. If the user changes the **Pay By** method, they must ensure that the **Deposit Date** field is updated according to the rules discussed above.

A.5.1.2 Sorting the List of Awards

The list of awards can be sorted by award number or recipient reference. The user changes the order of sort by clicking the **Award** or **Recipient Ref** radio button and then clicking the **Sort** button as shown below.



A.5.1.3 Changing the Recipient Reference

The recipient reference is a payee assigned name for each award. The user can change the **Recipient Reference** at any time.

A.5.1.4 Viewing the Award Details Window

When the user clicks the **Row No** button  corresponding to an award, GAPS displays the **Award Details** window for that award as shown in Figure A-5. (Note that this figure is a "composite" that shows the top and bottom of the **Award Transaction History** listing. Use the vertical scroll bar to see this detail.) Table A-3 describes the information fields displayed for the selected award.

Award Details

PR/AwardNo: P007A971234 Federal Supplemental Education Opportunity Grant

Completed Payments: \$28,000.00 Status: Performance

Pending Payments: \$10,000.00 Last Date to Draw Funds: 06/30/2001

Performance Period: 07/04/1996 to 06/30/2001 Last Date to Report Expenditures: 06/30/2001

Award Transaction History

Date	Changes in Authorization	Drawdowns	Refunds	Adjustments	Returns	Offsets
04/04/1997	\$120,000.00	-	-	-	-	-
04/23/1997	(\$20,000.00)	-	-	-	-	-
05/01/1997	-	\$20,000.00	-	-	-	-
05/15/1997	-	-	-	\$2,000.00	-	-
05/21/1997	-	\$8,000.00	-	-	-	-
Total	\$100,000.00	\$28,000.00	\$0.00	\$2,000.00	\$0.00	\$0.00

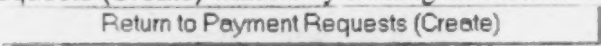
Figure A- 5: Award Details Window

Table A- 3: Award Details Window Field Descriptions

Field	Description
PR/Award No	Displays the unique identifier for the grant award.
Title	Displays the CFDA/Subprogram award title.
Completed Payments	Displays payments in-transit and payments confirmed by Treasury.
Status	Displays the award period for the selected award (i.e., performance or liquidation).
Pending Payments	Displays payments that are not yet on a Federal Reserve Bank (FRB) transmission file.
Last Date to Draw Funds	Displays the date that marks the end of the award's liquidation period. This is the last date on which payment requests may be processed for expenditures incurred during the award's performance period.

Table A- 3: Award Details Window Field Descriptions (continued)

Field	Description
Performance Period	Displays the grant award beginning and ending dates.
Last Date to Report Expenditures	Displays the date that marks the end of the award's suspension period. This is the last date on which expenditures incurred during the performance period may be processed. After this date the award is in closeout status.
Award Transaction History	Displays details and total amounts of activity on the selected award. Included are the transaction Date, and Changes in Authorization, Drawdowns, Refunds, Adjustments, Returns, and Offsets for the selected award.

Return to the Payments Requests (Create) window by clicking the Return to Payment Requests (Create) button 

A.5.1.5 Requesting Payments

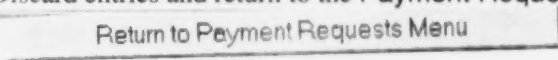
The user can request payments for one or multiple awards by entering the requested amount in the Request field in the row corresponding to the award, as shown below.

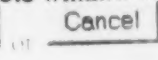
Enter the amount requested for each award
into the Request Amount field



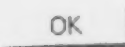
Row No	PR/Award No	Recipient Reference	Net Authorization	Available Balance	Request Amount
1	P007A971234	FEED	\$100,000.00	\$60,000.00	\$5,000.00
2	P033A971234	FED	\$200,000.00	\$120,000.00	\$5,000.00
3	P063P971234	FED	\$300,000.00	\$180,000.00	\$5,000.00
Number of Awards: 3			Total Request:		\$0.00

Discard entries and return to the Payment Requests window by clicking

 Return to Payment Requests Menu

 Cancel

When the user clicks

 GAPS performs the edits and validations on the entered data. GAPS displays an error message when it encounters one of the following conditions:

- FEDWIRE is the selected **Pay By** method of transmission and the bank receiving the funds cannot handle FEDWIRE payments.
- **Deposit Date** is not in the required format (MM/DD/YYYY).
- **Deposit Date** is earlier than the default date for the method of transmission selected in **Pay By**.
- **Deposit Date** is earlier than the award start date or later than the last date to draw funds.
- **Deposit Date** is later than 30 days from current date.
- A **Request** is non-numeric or negative.
- All requests are zero.
- The **Request** on an award exceeds the available balance displayed in the **Available Balance** field.

If no errors are encountered, GAPS displays a confirmation window, as shown in Figure A-6, to ensure that the user intends to submit the information.

Payment Requests (Create) - Confirmation

Payee DUNS/SSN 123456789 Pay By FEDWIRE Deposit Date (MM/DD/YYYY): 10/24/1997
 Sort Order: Award State University, 4801 Farmington Ave. #411, Myrtle Beach, HI 16567

PR/Award No	Recipient Reference	Net Authorization Available Balance	Request Amount
P007A971234	FSEOG	\$100,000.00	\$55,000.00
P033A971234	FWS	\$200,000.00	\$115,000.00
P063P971234	Pell	\$300,000.00	\$175,000.00
Number of Awards: 3		Total Request:	\$15,000.00

Warning: Your chosen method of transmission, FEDWIRE, is faster than ACH, but may have a transfer fee.
 Are you sure you want to submit the request?

Please send your comments/suggestions/questions to
[ACCOUNT REPRESENTATIVE@ed.gov](#)
[HELP@ed.gov](#)

[Return to Payment Requests Menu](#)

Figure A- 6: Payment Requests (Create) -- Confirmation window

Return to the Payment Requests Menu window by clicking

[Return to Payment Requests Menu](#)

If the user selects , the system discards the request and returns to the Payment Requests (Create) window. If the user selects , GAPS displays the "roll-up" payment request information in view-only mode as shown in Figure A-7. The window displays a message in the upper left hand corner confirming that the payment request has been accepted. Return to the Payment Requests Menu window by clicking the Return to Payment Requests Menu button.

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Your payment requests were accepted.

[Return to Payment Requests](#)

Payment Requests (Roll-up)

Payee DUNS/SSN 123456789 Pay By FEDWIRE Deposit Date (MM/DD/YYYY) 10/24/1997
 Sort Order Award State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

Control Number	Status	Control No Dollar Total	PR/Award No	Recipient Reference	Requested Amount
1997102400001	Ready for Scheduling	\$10,000.00	P007A971234	FSEOG	\$5,000.00
			P033A971234	FWS	\$5,000.00
1997102400002	Waiting Payments Office Review	\$5,000.00	P063P971234	Pa	\$5,000.00

Please send your comments/suggestions/questions to:
Account_Representatives@ed.gov

Figure A-7: Payment Requests (Roll-up) Window

The window displays the payment request amounts summarized by Pay By and Control Number. The Control Number is a unique identifier for a group, or "roll-up" of payment requests—a payment schedule for the same day and the same transmission method and same bank account. Payment Requests that require routing to a Department of Education official for review are assigned a separate Control Number.

The status is displayed for each Control Number. The status can be Ready for Scheduling, Waiting Program Office Review, Waiting Payments Office Review, or Waiting A/R Offset Determination. Control number status' are described in Table A-4.

Table A-4: Control Number Status Descriptions

Status	Description
Ready for Scheduling	The payment requests rolled-up in this Control Number are accepted for payment as requested.
Waiting Program Office Review	The payment request on this Control Number is against an award that is "flagged" for program office review. The payment request will be routed to the

	program office for review prior to approval.
Waiting Payments Office Review	The payment request on this Control Number is against an award that is "flagged" for payment request approval. The payment request will be routed to the payment office for review prior to approval.
Waiting A/R Offset Determination	The payment request on this Control Number is against an award for which there are manual offsets. The payment request will be routed to the Accounts Receivable office for review and offset amount determination prior to approval.
Returned	The payment generated for this Control Number has been returned to the Department of Education by the Federal Reserve Bank. (See Section B.5.3.)
Canceled	The payment request on this Control Number has been canceled by the Department of Education during processing. (See Section B.5.3.)

Requests with a status of **Ready for Scheduling** can be modified or canceled, if necessary, using the **Modify Payment Requests** menu option (See section B.5.2). Payment requests that are awaiting review and approval cannot be modified or canceled.

A.5.2 Modifying Payment Requests

If the user clicks Modify Payment Requests on the **Payment Requests Menu** window, GAPS displays the **Payment Requests (Select) -- Modify** window shown in Figure A-8. The window displays the payment requests with a status of **Ready for Scheduling** that are associated with the payee.

Return to Payment Requests Menu

Payment Requests (Select) - Modify

Payee DUNS/SSN 123456789 Payee Name State University
 Control No PR/Award No
 Start Date End Date

Row No	Control No	Control No Dollar Total	Date of Deposit	Status
1	1997102400001	\$10,000 00	10/24/1997	Ready for Scheduling
2	1997102000001	\$45,000 00	10/25/1997	Ready for Scheduling

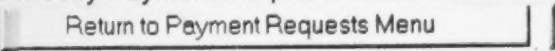
Please send your comments/suggestions/questions to
Account_Representative@ed.gov

Figure A- 8: Payment Requests (Select) -- Modify Window

Table A-5 describes the data fields on the Payment Requests (Select) -- Modify window.

Table A- 5: Payment Requests (Select) -- Modify Field Descriptions

Field	Description
Payee DUNS/SSN	Displays the payees D-U-N-S Number (DUNS) or Social Security Number (SSN).
Payee Name	Displays the name of the payee that the user represents.
Control No	Enables the user to locate payment requests by entering a full or partial Control Number.
PR/Award No	Enables the user to locate payment requests by entering a complete grant award number.
Start Date	Enables the user to locate payment requests by entering a "not earlier than" date. Defaults to the earliest payment request date associated with the payee.
End Date	Enables the user to locate payment requests by entering a "not later than" date. This defaults to the current date.
Row No	Displays the row number button for each award.
Control No	Displays the Control Number assigned to a roll-up of payment requests.
Control No Dollar Total	Displays the total dollar amount of payment requests rolled-up in the Control Number.
Date of Deposit	Displays the date of deposit for the payment requests rolled-up in the Control Number.
Status	Displays the status of the payment requests rolled-up in the Control Number. The status will always be "Ready for Scheduling" when modifying payment requests.

Leave the **Modify Payment Requests** function and return to the **Payment Requests Menu** by clicking .

A.5.2.1 Finding the Payment Request to be Modified

The user can search the list of payment requests using:

- a Start Date and End Date, or
- a partial or full control number and/or a full PR/Award No.

When searching by control number and PR/Award No, the user must provide a full PR/Award No. The user can use the "*" as a "wild card" in the Control No. field. For example, entering "1997*" in the Control No. field would find all control numbers assigned in 1997 for the given PR/Award No. Entering "*97*" in the Control No. field would find all control numbers with "97" in them for the given PR/Award No. Leaving the control number blank will return all control numbers for the given PR/Award No.

To search for requests with a deposit date of October 4, 1997, for PR/Award Number P007A971234, enter "19971004*" in the Control No. field and "P007A971234" in the PR/Award No. fields, then click **Find** as shown below.

Enter a partial or full control number
(May be left blank)

Enter a full award number

Payee DUNS/SSN: 123456789

Payee Name: State University

Control No.: 19971004*

PR/Award No.: P007A971234

Start Date: 09/24/1997

End Date: 11/23/1997

Change Start Date and/or End Date
if desired

Click here to locate payment requests
matching the criteria entered

Note that can also change the Start Date and End Date fields to reduce the range of control numbers that are searched to find the desired record. While this is not required, it can speed the search and retrieval process.

After entering the criteria and clicking the Find button, the listing of payment requests matching the search criteria appears on the lower part of the Payment Requests (Select) window. This window enables the user to select an existing payment request for modification. Select a control number from the list for modification by clicking the corresponding Row No button **5**. This action calls the Payment Requests (Modify) window (Figure A-9). Return to the Payment Requests (Select) window by clicking **Return to Select Payment Requests**.

Return to Select Payment Requests

Payment Requests (Modify)

Payee DUNS/SSN: 123456789 Pay By: Deposit Date (MM/DD/YYYY):

Sort: ☒ Award ☐ Recipient Ref State University, 4801 Fairmont Ave. #411, Myrtle Beach, HI 10567

Row No	PR/Award No	Recipient Reference	Net Authorization	Available Balance	Request Amount
1	P007A971234	P007A971234	\$100,000.00	\$55,000.00	\$55,000.00
2	P033A971234	P033A971234	\$200,000.00	\$115,000.00	\$115,000.00

Number of Awards: 2 Total Request: \$10,000.00

OK Cancel

Please send your comments/suggestions/questions to:
Account_Representative@ed.gov

Figure A-9: Payment Requests (Modify) Window

A.5.2.2 Modifying the Selected Payment Request

The **Payment Requests (Modify)** window enables the user to modify or cancel a selected payment request that is ready for scheduling. The **Payment Requests (Modify)** window is similar in appearance to the **Payment Requests (Create)** window. The field descriptions are the same as those listed in Table A-2. The only difference is that the data fields on the **Payment Requests (Modify)** window are filled in with the payment request information corresponding to the selected control number.

The user can modify the **Pay By** method of transmission, the **Deposit Date**, the **Recipient Reference** and the payment **Request Amount** for the selected control number.

NOTE: To delete a payment request, change the corresponding **Request Amount** to zero.

To discard changes and return to the **Payment Requests (Select)** window, click either Return to Select Payment Requests or Cancel

To save the changes made, click OK, which initiates the same edits as described for the **Payment Requests (Create)** window. If no errors are encountered, GAPS displays the **Payment Requests (Modify) -- Confirmation** window (Figure A-10).

Return to Select Payment Requests

Payment Requests (Modify) - Confirmation

Payee DUNS/SSN 123456789 Pay By FEDWIRE Deposit Date (MM/DD/YYYY) 10/24/1997
 Sort Order: Award State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

PR/Award No	Recipient Reference	Net Authorization	Available Balance	Request Amount
P007A971234	FSEOG	\$100,000.00	\$54,000.00	\$5,000.00
P033A971234	FWS	\$200,000.00	\$113,000.00	\$7,000.00
Number of Awards: 2		Total Request:		\$13,000.00

Warning: Your chosen method of transmission, FEDWIRE, is faster than ACH, but may have a transfer fee.
 Warning: All payment requests with zero dollar amounts will be canceled.

Are you sure you want to submit the request?

Please send your comments/suggestions/questions to
Account_Representative@ed.gov

Document Done

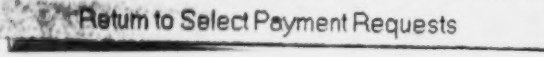
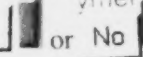
Figure A-10: Payment Requests (Modify) -- Confirmation Window

A.5.2.3 Reviewing and Submitting the Modification

Review the **Payment Requests (Modify) -- Confirmation** window to insure that the

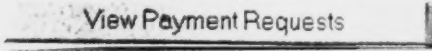
modification is correct. If the user clicks Yes, the modification is submitted to GAPS and the **Payment Requests (Roll-up)** window is displayed (see Figure A-7 above) confirming the

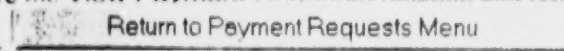
modification. To discard changes and return to the Payment Requests (Select) window, click

 or 

A.5.3 Viewing Payment Requests

To view payment requests regardless of their status, select

 from the Payment Requests Menu. This calls up the Payment Request (Select) -- View window shown in Figure A-11. This window is identical to the Payment Request (Select) -- Modify window displayed when selecting Modify Payment Requests from the Payment Requests Menu. The difference is that the window displayed after the View Payment Requests Menu is selected displays control numbers with a status of Ready for Scheduling, Waiting Program Office Review, Waiting Payments Office Review, Waiting A/R Offset Determination, Returned, and Canceled. Control number status codes are described in Table A-4 above.

Leave the View Payment Requests function and return to the Payment Requests Menu, click 

Return to Payment Requests Menu

Payment Requests (Select) - View

Payee DUNS/SSN 123456789 Payee Name State University

Control No. PR/Award No. Find

Start Date End Date

Row No.	Control No.	Control No Dollar Total	Date of Deposit	Status
1	1997102400001	\$13,000.00	10/24/1997	Ready for Scheduling
2	1997102400002	\$5,000.00	10/24/1997	Waiting Payments Office Review
3	1997102000001	\$45,000.00	10/25/1997	Ready for Scheduling

Please send your comments/suggestions/questions to
Account_Representative@ed.gov

Figure A- 11: Payment Requests (Select) -- View Window

A.5.3.1 Finding the Payment Request to be Viewed

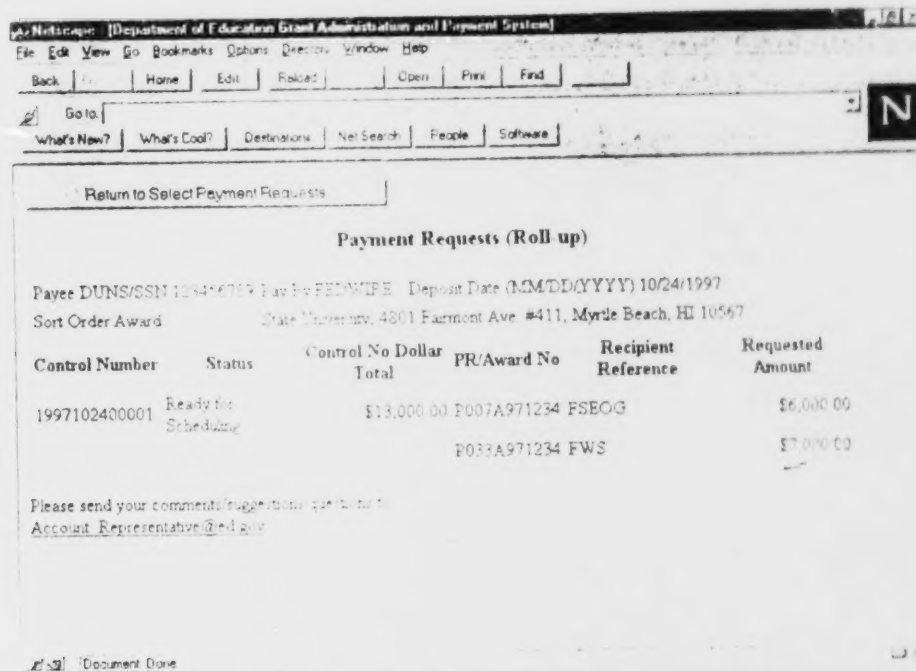
Search the list of payment requests using:

- a Start Date and End Date, or
- a partial or full control number and/or a full PR/Award No.

When searching by control number and PR/Award No, the user must provide a full PR/Award No. The user can use the "*" as a "wild card" in the Control No. field. For example, entering "1997*" in the Control No. field would find all control numbers assigned in 1997 for the given PR/Award No. Entering "*97*" in the Control No. field would find all control numbers with "97" in them for the given PR/Award No. Leaving the control number blank will return all control numbers for the given PR/Award No.

A.5.3.2 Viewing the Selected Payment Request

The **Payment Requests (Select) -- View** window enables the user to select an existing payment request for viewing. Select a control number from the list by clicking the corresponding **Row No** button . This action displays the **Payment Requests (Roll-up)** window shown in Figure A-12.



Return to Select Payment Requests

Payment Requests (Roll up)

Payee DUNS/SSN 123456789 Pay to FELLOWEE Deposit Date (MM/DD/YYYY) 10/24/1997
 Sort Order Award State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

Control Number	Status	Control No Dollar Total	PR/Award No	Recipient Reference	Requested Amount
1997102400001	Ready for Scheduling	\$13,000.00	P007A971234	FSEOG	\$6,000.00
			P033A971234	FWS	\$7,000.00

Please send your comments/suggestions/questions to:
 Account_Representative@ed.gov

Document Done

Figure A- 12: Payment Request (Roll-up) Window for View Payment Requests

Return to the **Payment Requests (Select)** window by clicking

[Return to Select Payment Requests](#) 

A.5.4 Adjusting Drawdown Amounts

The GAPS External Access system provides users with the flexibility to adjust their drawdowns to reflect actual expenditures in accordance with their internal accounting records. An adjustment is the movement of drawn funds from one grant to another. The adjusted net draws

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should reflect a payee's actual expenditures so that the Department of Education's records will agree with the payee's own internal accounting records. Thus, if the payee draws too much, they can adjust or redistribute their drawdown requests between their grant awards to meet other immediate expenditures, as long as the net change is zero. Payees are still required to draw funds only as needed to meet immediate disbursement needs. ***Immediate disbursement needs are those which will occur in the next three business days.***

When the user clicks Adjust Drawdown Amounts on the Payment Requests Menu, GAPS displays the Drawdown Adjustments window shown in Figure A-13.

Return to Payment Requests Menu

Drawdown Adjustments

Payee DUNS/SSN 123456789 State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10000

Sort ☒ Award ☐ Recipient Ref

PR/Award No	Recipient Reference	Net Authorization	Available Balance	Net Draw	Adjustment
P007A961234	FSEOG	\$100,000.00	\$54,000.00	\$46,000.00	
P033A971234	FWS	\$200,000.00	\$113,000.00	\$87,000.00	
P063P971234	Fed	\$300,000.00	\$175,000.00	\$125,000.00	
Total		\$600,000.00	\$342,000.00	\$258,000.00	\$0.00

OK Cancel

Please send your comments/suggestions/questions to: zisa@... Document Date

Figure A- 13: Drawdown Adjustments Window

Table A-6 describes the fields on the Drawdown Adjustments window.

Table A- 6: Drawdown Adjustments Window Field Descriptions

Field	Description
Payee DUNS/SSN	Displays the payee's D-U-N-S Number (DUNS) or Social Security Number (SSN).
Payee Name	Displays the name and address of the payee that the user represents.
Sort	Enables you to sort the list of awards by its unique identifier (PR/Award No) or by the Recipients Reference (Recipient Reference) fields. See Section B.5.1.2 above for instructions on using this field
PR/Award No	Displays the unique identifier for the grant award.
Recipient Reference	Displays the recipient reference, a payee-assigned name for each award. The user can change the Recipient Reference at any time.
Net Authorization	Displays the net authorization for the award.
Available Balance	Displays the available balance for the award.
Net Draw	Displays the net total of all drawdowns for this award.
Adjustment	Enables you to enter the adjustments to net draws.

NOTE: The sum of all adjustments entered into the **Drawdown Adjustments** window must be zero.

This window enables the user to adjust drawdown amounts between awards in performance or liquidation status. For example, in Figure A-13, \$8,000 in excess of immediate cash needs was requested from award P033A971234. This drawdown has been reallocated to meet immediate cash needs for awards P007A961234 and P063P971234 by making the appropriate entries in the **Adjustments** field, rather than sending the excess cash on award P033A971234 back to the Department of Education.

NOTE: The GAPS External Access system *does not* automatically update the **Total Adjustment** field when data is entered in the **Adjustment** field. This field will be updated during the submission edit process.

The user can discard changes and return to the **Payment Requests Menu** window by clicking

Return to Payment Requests Menu

Cancel

When the user clicks

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OK

GAPS performs the required edits and validations on the data entered into the Adjustment field. GAPS displays an error message when it encounters one or more of the following conditions:

- An adjustment amount is non-numeric.
- All of the adjustments are zero.
- Sum of adjustment amounts is non-zero.
- Adjustment amount is negative and:
 - the award is in stop payment or on-reimbursement status, or
 - the grantee associated with the award is in stop payment status, or
 - the current date is earlier than the award start date, or
 - the current date is later than the last date to draw funds.
- Adjustment amount is negative and exceeds the available balance displayed on the window.
- Adjustment amount is positive and exceeds the available balance.

When the edits for a requested adjustment are complete and correct, GAPS displays the Drawdown Adjustments -- Confirmation window in a "view only" mode (Figure A-14).

Return to Payment Requests Menu

Drawdown Adjustments - Confirmation

Payee DUNS/SSN 123456789 State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

Sort Order: Award

PR/Award No	Recipient Reference	Net Authorization	Available Balance	Net Draw	Adjustment
P007A961234	FSEOG	\$100,000.00	\$49,000.00	\$51,000.00	\$5,000.00
F033A971234	FWS	\$200,000.00	\$121,000.00	\$79,000.00	(\$8,000.00)
P063P971234	Pell	\$300,000.00	\$172,000.00	\$128,000.00	\$3,000.00
Total		\$600,000.00	\$342,000.00	\$258,000.00	\$0.00

Are you sure you want to adjust the drawdown amounts?

Please send your comments/suggestions/questions to:

Document Done

Figure A-14: Drawdown Adjustments -- Confirmation Window

Review the Drawdown Adjustments -- Confirmation window to insure that the modification is correct. If the user clicks , the modification is submitted to GAPS and the Drawdown Adjustments (View) window is displayed (Figure A-15) confirming the modification. To discard changes and return to the Payment Requests Menu window, click

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Return to Payment Requests Menu

Drawdown Adjustments (View)

Payee DUNS/SSN 123456789 State University, 4801 Farmont Ave. #411, Myrtle Beach, HI 10567
Sort Order Award

PR/Award No	Recipient Reference	Net Authorization Available Balance	Net Draw	Adjustment
P007A961234	FSEOG	\$100,000.00	\$49,000.00	\$51,000.00
P033A971234	FWS	\$200,000.00	\$121,000.00	\$79,000.00
P063P971234	PaB	\$300,000.00	\$172,000.00	\$128,000.00
Total		\$600,000.00	\$342,000.00	\$258,000.00

The drawdown amounts have been adjusted.

Please send your comments/suggestions/questions to:
Account.Representatives@ed.gov

Figure A- 15: Drawdown Adjustments (View) Window

A.5.5 Viewing Authorization History

When the user selects **View Authorization History** from the Payment Requests Menu, GAPS displays the Authorization History window shown in Figure A-16.

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Return to Payment Requests Menu

Authorization History (09/23/1995 - 10/23/1997)

Payee DUNS/SSN 123456789 Payee Name State University

Start Date 04/01/99 End Date 04/23/99 Find

PR/Award No

PR/Award No	Date	Change in Authorizations	Cumulative Authorizations
P007A971234	04/04/1997	\$120,000.00	\$120,000.00
	04/23/1997	(\$20,000.00)	\$100,000.00
P033A971234	04/24/1997	\$200,000.00	\$200,000.00
P063P971234	04/25/1997	\$300,000.00	\$500,000.00

Please send your comments/suggestions/questions to
Account Representative @ed.gov

Figure A- 16: Authorization History Window

Table A- 7 describes the fields on the Authorization History window.

Table A- 7: Authorization History Window Field Descriptions

Field	Description
Payee DUNS/SSN	Displays the payee's D-U-N-S Number (DUNS) or Social Security Number (SSN).
Payee Name	Displays the name and address of the payee that the user represents.
Start Date	Enter the earliest date for the authorization history desired.
End Date	Enter the latest date for the authorization history desired.
PR/Award No	Enter the unique identifier of the grant award for which authorization history is desired.
Authorization History Table	This table displays the authorization history consisting of the PR/Award Number, the transaction Date, the Change in Authorizations on that date, and the Cumulative Authorizations for that award.

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The window initially displays the authorizations made since an award's inception. The start date defaults to the earliest authorization date and the end date defaults to the latest authorization date. The user can view the history over any given period by modifying the **Start Date** and **End Date** fields and clicking Find. To view the history of a single award, enter the desired grant award number in the **PR/Award No.** field and click the **Find** button.

Return to the **Payment Requests Menu** window by clicking

Return to Payment Requests Menu

A.6. Direct Loans

The Payment Request Menu window (Figure A-3) enables the user to access the GAPS External Access functions required to create, modify, and adjust drawdown amounts for direct loan payment requests. The following sections provide detailed instructions for using the Direct Loan functions of the GAPS External Access system.

A.6.1 Creating Direct Loan Payment Requests

When the user clicks **Create Direct Loan Payment Requests** on the Payment Requests Menu window, the GAPS External Access system displays the Direct Loan Payment Requests (Create) window shown in Figure A-17.

Return to Payment Requests Menu

Direct Loan Payment Requests (Create)

Payee DUNS/SSN 123456789 Pay By Deposit Date (MM/DD/YYYY)

State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

School	Academic Year	Request Amount	Last Date to Draw Funds
Campus A	1998		09/30/1998
Campus B	1998		09/30/1998
Campus C	1998		09/30/1998

Total Request: \$0.00

Please send your comments to gaps@ed.gov or call 1-800-455-4545

Figure A- 17: Direct Loan Payment Requests (Create) Window

This window displays a list of Direct Loan awards associated with the payee, sorted by school and academic year, for which drawdowns can be initiated. A brief description of each field is contained in Table A-8.

Table A- 8: Direct Loan Payment Requests (Create) Field Descriptions

Field	Description
Payee DUNS/SSN	Displays the payee's D-U-N-S Number (DUNS) or Social Security Number (SSN).
Pay By	Displays the default method of funds transfer for the Payee. Select either ACH, for direct deposit through the Automated Clearing House, or FEDWIRE for payments by that method.
Deposit Date	Displays the month, day, and year of the default Deposit Date for the payment method selected in the Pay By field. Enter the desired Deposit Date in MM/DD/YYYY format if later than default date displayed.
Payee Identification	Displays the name and address of the payee that the user represents.
School	Displays the schools that the payee represents for the drawdown of Direct Loan funds.
Academic Year	Displays the academic years for which Direct Loan funds may be drawn.
Request Amount	Enter the amount to be requested for the Direct Loan payment.
Last Date to Draw Funds	Displays the last date on which the user can request the drawdown of funds for a particular school and academic year combination.
Total Request	Displays the total dollar value of the drawdown requests made on this window.

NOTE: Each **School** and **Academic Year** combination displayed on the **Direct Loan Payment requests (Create)** window is equivalent to a Direct Loan document in GAPS.

A.6.1.1 Changing the Payment Method and Deposit Date

The GAPS External Access system initially sets the **Pay By** method of transmission to the default method established for the payee in GAPS. The default **Deposit Date** displayed is based on the selected method of transmission. For payments by ACH direct deposit, the default **Deposit Date** is the current date plus two days. For payments by FEDWIRE, if the current time is less than or equal to 12:30 p.m. Eastern Time, the default **Deposit Date** is the current date.

Otherwise, the default **Deposit Date** is the current date plus one day. The user can change the defaults for the **Pay By** method of transmission and the **Deposit Date**. However, the **Deposit Date** entered should never be earlier than the displayed default date. Entering an incorrect **Deposit Date** will cause an error when you submit the transaction.

NOTE: The External Access system *does not* automatically update the **Deposit Date** field when the user changes the **Pay By** method of transmission field. If the user changes the **Pay By** method, they must ensure that the **Deposit Date** field is updated according to the rules discussed above.

A.6.1.2 Requesting Payments

To request payments for one or multiple awards, enter the requested amount in the **Request Amount** field in the row corresponding to the award, as shown below.

Enter the amount requested for each Direct Loan into the Request Amount field



School	Academic Year	Request Amount	Last Date to Draw Funds
Campus A	1998	\$10000.00	09/30/1998
Campus B	1998	\$20000.00	09/30/1998
Campus C	1998	\$30000.00	09/30/1998
Total Request:		\$0.00	

To discard entries and return to the **Payment Requests** window, click

Return to Payment Requests Menu

or Cancel

When the user clicks

OK

GAPS performs the edits and validations on the entered data. GAPS displays an error message when it encounters one of the following conditions:

- **Deposit Date** is not in the required format (MM/DD/YYYY).
- **Deposit Date** is earlier than the default date for the method of transmission selected in **Pay By**.

- **Deposit Date** is earlier than the performance period start date or later than the end of the performance period.
- **Deposit Date** is later than 30 days from current date.
- A **Request Amount** is non-numeric or negative.
- The Request Amount on an award exceeds the available balance displayed in the Available Balance field
- All requests are zero.
- FEDWIRE is the selected **Pay By** method of transmission and the bank receiving the funds cannot handle FEDWIRE payments.

If no errors are encountered, GAPS displays a confirmation window, as shown in Figure A-18, to ensure that the user intends to submit the information.

Internet Explorer (Department of Education Grant Administration and Payment System)

File Edit View Go Bookmarks Options Directory Window Help

Back Home Edit Reload Open Print Find

Go to

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Return to Payment Requests Menu

Direct Loan Payment Requests (Create) - Confirmation

Payee DUNS/SSN: 123456789 Pay By: FEDWIRE Deposit Date (MM/DD/YYYY) 10/24/1997
State University, 4901 Fairmont Ave. #411, Myrtle Beach, HI 10567

School	Academic Year	Request Amount	Last Date to Draw Funds
Campus A	1998	\$10,000.00	09/30/1998
Campus B	1998	\$20,000.00	09/30/1998
Campus C	1998	\$30,000.00	09/30/1998
Total Request:		\$60,000.00	

Warning: Your chosen method of transmission, FEDWIRE, is faster than ACH, but may have a transfer fee.

Are you sure you want to submit the request?

Yes No

Please send your comments/suggestions/questions to:

Document Done

Figure A- 18: Direct Loan Payment Requests (Create) – Confirmation Window

Return to the Payment Requests Menu window, click

If the user selects the system discards

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the request and returns to the Direct Loan Payment Requests (Create) window. If the user selects Yes, GAPS displays the payment request information in "view-only" mode as shown in Figure A-19. The window displays a message in the upper left hand corner confirming that the payment request has been accepted. To return to the Payment Requests Menu window, click on the Return to Payment Requests Menu button.

Return to Payment Requests Menu

Direct Loan Payment Requests (View)

Payee DUNS/SSN 123456789 Pay By FEDWIRE Deposit Date (MM/DD/YYYY) 10/24/1997
State University, 4801 Fairmont Ave. #411, Myrtle Beach, HI 10567

Control Number	Status	Requested Amount	School	Academic Year
1997102400003	Ready for Scheduling	\$10,000.00	Campus A	1998
1997102400004	Ready for Scheduling	\$20,000.00	Campus B	1998
1997102400005	Ready for Scheduling	\$30,000.00	Campus C	1998

Click on the following links to view more information:
[Return to Payment Requests Menu](#)
[View Payment Request Details](#)

Figure A- 19: Direct Loan Payment Requests (View) Window

The window displays the payment request amounts summarized by Pay By and Control Number (a unique number used to identify a request). Payment Requests that require routing to a Department of Education official for review are assigned a separate Control Number.

The status is displayed for each Control Number. The status can be Ready for Scheduling, Waiting Program Office Review, Waiting Payments Office Review, or Waiting A/R Offset Determination. These status codes are described in Table A-9.

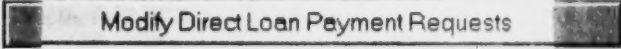
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Table A- 9: Control Number Status Descriptions

Status	Description
Ready for Scheduling	The payment request on this Control Number is accepted for payment as requested.
Waiting Program Office Review	The payment request on this Control Number is against an award that is "flagged" for program office review. The payment request will be routed to the program office for review prior to approval.
Waiting Payments Office Review	The payment request on this Control Number is against an award that is "flagged" for payment request approval. The payment request will be routed to the payment office for review prior to approval.
Waiting A/R Offset Determination	The payment request on this Control Number is against an award for which there are manual offsets. The payment request will be routed to the Accounts Receivable office for review and offset amount determination prior to approval.

Requests with a status of **Ready for Scheduling** can be modified or canceled, if necessary, using the **Modify Payment Requests** function (See section B.6.2). Payment requests that are awaiting review and approval cannot be modified or canceled.

A.6.2 Modifying Direct Loan Drawdown Amounts

If the user clicks  on the **Payment Requests Menu** window, GAPS displays the **Direct Loan Payment Requests (Select) -- Modify** window shown in Figure A-20. The window displays Direct Loan payment requests with a status of **Ready for Scheduling** that are associated with the payee.

Return to Payment Requests Menu

Direct Loan Payment Requests (Select) - Modify

Payee DUNS/SSN: 123456789 Payee Name: State University

Control No: Academic Year: Find

Start Date: End Date:

Row No	Control No	Control No Dollar Total	Date of Deposit	Status	School	Academic Year
1	1997102400003	\$10,000.00	10/24/1997	Ready for Scheduling	Campus A	1998
2	1997102400004	\$20,000.00	10/24/1997	Ready for Scheduling	Campus B	1998
3	1997102400005	\$30,000.00	10/24/1997	Ready for Scheduling	Campus C	1998

Document Done

Figure A- 20: Direct Loan Payment Requests (Select) Window

Table A-10 describes the data fields on the Direct Loan Payment Requests (Select) window.

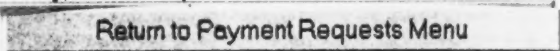
Table A- 10: Direct Loan Payment Requests (Select) Field Descriptions

Field	Description
Payee DUNS/SSN	Displays the payees D-U-N-S Number (DUNS) or Social Security Number (SSN).
Payee Name	Displays the name of the payee that the user represents.
Control No	Enables the user to locate payment requests by entering a full or partial Control Number.
Academic Year	Enables the user to locate payment requests by entering the academic year.
Start Date	Enables the user to locate payment requests by entering a "not earlier than" date. Defaults to the earliest payment request date associated with the payee.

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Table A-10: Direct Loan Payment Requests (Select) Field Descriptions (continued)

Field	Description
End Date	Enables the user to locate payment requests by entering a "not later than" date. This defaults to the current date.
Row No	Displays the row number button for each control number.
Control No	Displays the control number assigned to a payment request.
School	Displays the school associated with the payment request on this control number.
Academic Year	Displays the academic year associated with the payment request on this control number.
Control No Dollar Total	Displays the total dollar amount of the payment requests on the control number.
Date of Deposit	Displays the date of deposit for the payment requests on this Control Number.
Status	Displays the status of the payment requests on the Control Number. The status will always be Ready for Scheduling when modifying payment requests.

Leave the Modify Direct Loan Payment Requests function and return to the Payment Requests Menu by clicking 

A.6.2.1 Finding the Direct Loan Payment Request to be Modified

Search the list of payment requests using:

- a Start Date and End Date, or
- a partial or full control number and/or a full Academic Year

When searching by control number and Academic Year, the user must provide a full Academic Year. The user can use the "*" as a "wild card" in the Control No. field. For example, entering "1997*" in the Control No. field would find all control numbers assigned in 1997 for the given Academic Year. Entering "*97*" in the Control No. field would find all control numbers with "97" in them for the given Academic Year. Leaving the control number blank will return all control numbers for the given Academic Year.

To search for requests with a deposit date of September 4, 1997, for **Academic Year** 1997, enter "19971004*" in the **Control No.** field and "1997" in the **Academic Year** fields, then click

Find as, shown below.

Enter a partial or full control number
(May be left blank)

Enter an Academic Year

Payee DUNS/SSN:	123456789	Payee Name:	State University
Control No.:	19971004*	Academic Year:	1997
Start Date:	09/04/1997	End Date:	11/23/1997

Find

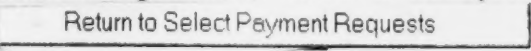
Change Start Date and/or End Date
as desired

Click here to locate payment requests
matching the criteria entered

Note that the user can also change the **Start Date** and **End Date** fields to reduce the range of control numbers that are searched to find the desired record. While this is not required, it can speed the search and retrieval process.

After the user enters the criteria and clicks the **Find** button, the listing of payment requests matching the search criteria appears on the lower part of the **Payment Requests (Select) -- Modify** window. This window enables the user to select an existing payment request for modification. Select a control number from the list for modification by clicking the

corresponding **Row No** button  This action calls the **Direct Loan Payment Requests (Modify)** window (Figure A-21). Return to the **Payment Requests (Select)** window by

clicking  **Return to Select Payment Requests**

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Go to: What's New? What's Cool? Destinations Net Search People Software

Return to Select Payment Requests

Direct Loan Payment Requests (Modify)

Payee DUNS/SSN 123456789 Pay By: Deposit Date MM/DD/YYYY

State University, 4801 Farmers Ave #411, Myrtle Beach, HI 10567

School	Academic Year	Request Amount	Last Date to Draw Funds
Campus A	1998	\$10,000.00	09/30/1998

Total Request: \$10,000.00

OK Cancel

Please send your comments/suggestions/questions to
DLAccount_Representative@ed.gov

Figure A- 21: Direct Loan Payments Requests (Modify) Window.

A.6.2.2 Modifying the Selected Direct Loan Payment Request

The Direct Loan Payment Requests (Modify) window enables the user to modify or cancel a selected Direct Loan payment request that is ready for scheduling. The Direct Loan Payment Requests (Modify) window is similar in appearance to the Direct Loan Payment Requests (Create) window. The field descriptions are the same as those listed in Table A-8. The only difference is that the data fields on the Direct Loan Payment Requests (Modify) window are filled in with the payment request information corresponding to the selected control number.

The user can modify the Pay By method of transmission, the Deposit Date, and the payment Request Amount for the selected control number.

NOTE: To delete a payment request, change the corresponding Request Amount to zero.

To discard changes and return to the **Payment Requests (Select)** window, click either

or

To save the changes, click . This initiates the same edits as described for the **Direct Loan Payment Requests (Create)** window. If no errors are encountered, GAPS displays the **Direct Loan Payment Requests (Modify) -- Confirmation** window (Figure A-22).

Return to Select Payment Requests

Direct Loan Payment Requests (Modify) - Confirmation

Payee DUNS/SSN.123456789 Pay By FEDWIRE Deposit Date (MM/DD/YYYY) 10/24/1997
 State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

School	Academic Year	Request Amount	Last Date to Draw Funds
Campus A	1998	\$15,000.00	09/30/1998

Total Request: \$15,000.00

Warning: Your chosen method of transmission, FEDWIRE, is faster than ACH, but may have a transfer fee.
 Warning: All payment requests with zero dollar amounts will be cancelled.

Are you sure you want to submit the request?

Please send your comments/suggestions/questions to
DLAccount_Representative@ed.gov

Document Done

Figure A- 22: Direct Loan Payment Request (Modify) -- Confirmation Window

A.6.2.3 Reviewing and Submitting the Modification

Review the **Direct Loan Payment Request (Modify) -- Confirmation** window to insure that the modification is correct. If the user clicks , the modification is submitted to GAPS and the **Direct Loan Payment Requests (View)** window is displayed (see Figure A-19 above).

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confirming the modification. To discard changes and return to the Payment Requests (Select) window, click or

A.6.3 Adjusting Direct Loan Drawdown Amounts

The GAPS External Access system provides users with the flexibility to adjust your drawdowns to reflect actual expenditures in accordance with your internal accounting records. An adjustment is the movement of drawn funds from one Direct Loan document to another. The adjusted net draws should reflect a payee's actual expenditures so that the Department of Education's records will agree with the payee's own internal accounting records. Thus, if the payee draws too much, they can adjust or redistribute their drawdown requests among their Direct Loan documents to meet other immediate expenditures, as long as the net change is zero. Payees are still required to draw funds only as needed to meet immediate disbursement needs. *Immediate disbursement needs are those which will occur in the next three business days.*

When the user clicks on the Payment Requests Menu, GAPS displays the Direct Loan Drawdown Adjustments window shown in Figure A-23.

Return to Payment Requests Menu

Direct Loan Drawdown Adjustments

Payee DUNS/SSN 123456789 State University, 4801 Fairmont Ave #411, Myrtle Beach, SC 12345

School	Academic Year	Net Draw	Adjustment
Campus A	1998	\$46,000.00	
Campus B	1998	\$87,000.00	
Campus C	1998	\$125,000.00	
Total		\$258,000.00	\$0.00

Please send your comments/suggestions/questions to:
DLAccount.Representative@ed.gov

Figure A- 23: Direct Loan Drawdown Adjustments Window

Table A-11 describes the fields on the Direct Loan Drawdown Adjustments window.

Table A- 11: Direct Loan Drawdown Adjustments Window Field Descriptions

Field	Description
Payee DUNS/SSN	Displays the payee's D-U-N-S Number (DUNS) or Social Security Number (SSN).
Payee Identification	Displays the name and address of the payee that the user represents.
School	Displays the schools that the payee represents for the drawdown of Direct Loan funds.
Academic Year	Displays the academic years for which Direct Loan funds may be drawn.
Net Draw	Displays the net total drawdowns for this loan.
Adjustment	Enables the user to enter the adjustments to net draws.

NOTE: The sum of all adjustments entered on the Drawdown Adjustments window must be zero.

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This window enables you to adjust drawdown amounts between Direct Loan documents. For

This window enables the user to adjust drawdowns among Direct Loan documents. For example, in Figure A-23, \$3,000 in excess of immediate needs was requested against Campus B's Academic Year 1998 Direct Loan document and \$2,000 in excess of immediate needs was requested against Campus C's 1998 Direct Loan document.. This money has been reallocated to meet immediate needs for Campus A's 1998 Direct Loan program by making the appropriate entries in the **Adjustments** field, rather than sending the excess cash back to the Department of Education.

NOTE: The External Access system *does not* automatically update the **Total Adjustment** field when data is entered in the **Adjustment** field. This field will be updated during the submission edit process.

To discard changes and return to the **Payment Requests Menu** window, click

Return to Payment Requests Menu

or

Cancel

When the user clicks

OK

, GAPS performs the required edits and validations on the data entered into the **Adjustment** field. GAPS displays an error message when it encounters one or more of the following conditions:

- An adjustment amount is non-numeric.
- All of the adjustments are zero.
- Sum of adjustment amounts is non-zero.
- Adjustment amount is negative and:
 - the Direct Loan Document is in stop payment status, or
 - the Direct Loan institution associated with the Direct Loan Document is in stop payment status, or
 - the current date is earlier than the start date, or
 - the current date is later than the last date to draw funds.

When the edits for a requested adjustment are completed and correct, GAPS displays the **Direct Loan Drawdown Adjustments - Confirmation** window (Figure A-24) with a message that the payment request has been adjusted.

Department of Education Grant Administration and Payment System

File Edit View Go Bookmarks Options Directory Window Help

Back Home Edit Reload Open Print Find

Go to

What's New? What's Cool? Destinations Net Search People Software

Return to Payment Requests Menu

Direct Loan Drawdown Adjustments - Confirmation

Payee DUNS/SSN 123456789 State University, 4801 Fairmont Ave. #411, Myrtle Beach, HI 10167

School	Academic Year	Net Draw	Adjustment
Campus A	1998	\$51,000.00	\$5,000.00
Campus B	1998	\$84,000.00	(\$3,000.00)
Campus C	1998	\$123,000.00	(\$2,000.00)
Total		\$258,000.00	\$0.00

Are you sure you want to adjust the drawdown amounts?

Please send your comments/suggestions/questions to
[DL Account Representative @ ed.gov](#)

Document Done

Figure A- 24: Direct Loan Drawdown Adjustments -- Confirmation Window

To discard changes and return to the Payment Requests Menu window, click

or When the user clicks , the adjustment is submitted to GAPS and the Direct Loan Drawdown Adjustments (View) window is displayed (Figure A-25) confirming the adjustment.

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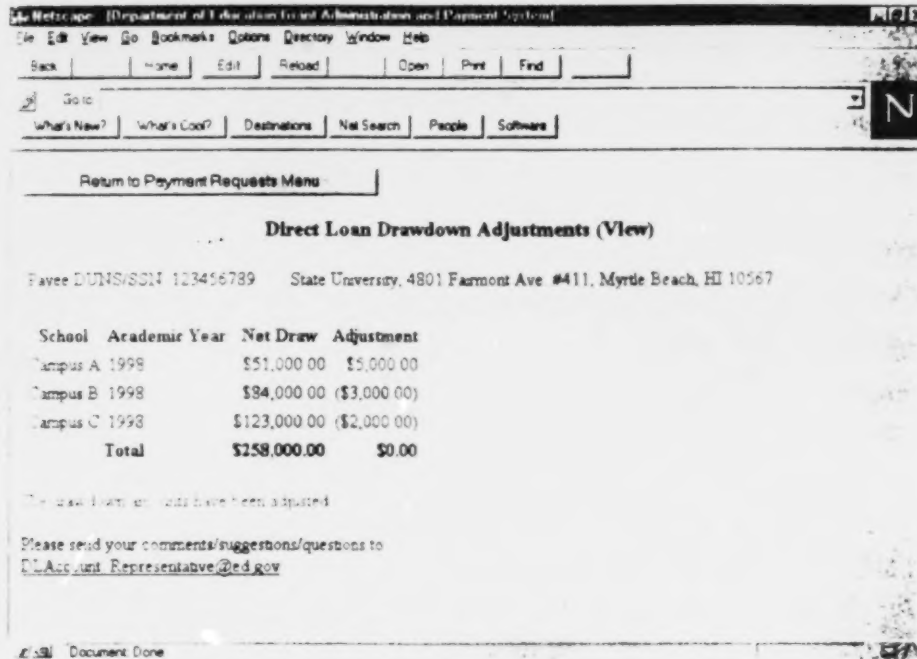
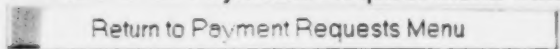


Figure A- 25: Direct Loan Drawdown Adjustments (View) Window

To return to the Payments Request Menu window, click



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A.7. Expenditure Reporting

Enter the expenditure reporting function by clicking the **Expenditure Reporting** button from the Main Menu window (shown in Figure A-2). The Expenditure Reporting Menu window is shown in Figure A-26.

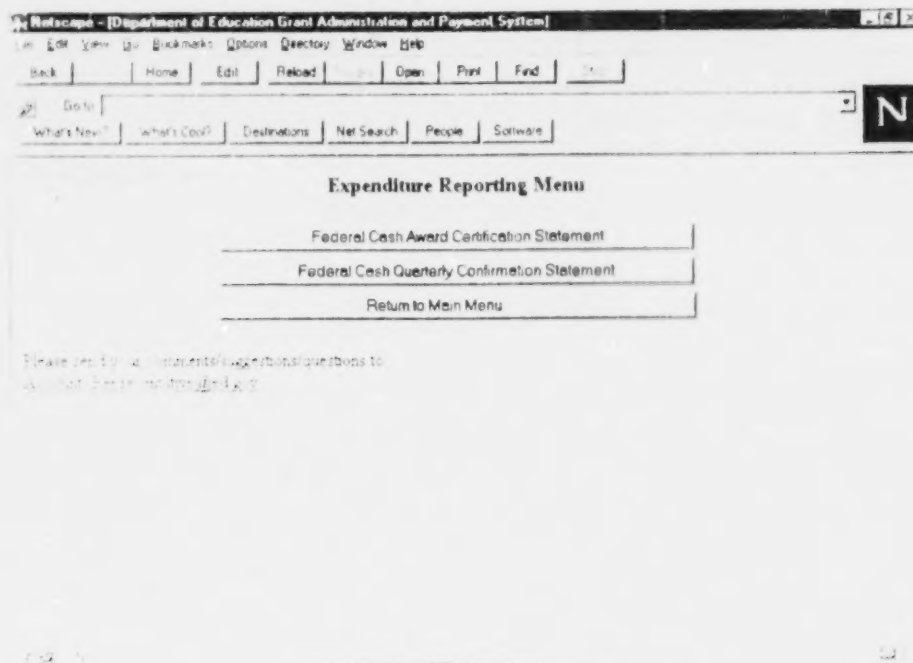


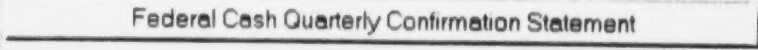
Figure A- 26: Expenditure Reporting Menu Window

Two types of expenditure reports can be accessed on-line:

- Click **Federal Cash Award Certification Statement** to access the **Federal Cash Award Certification Statement**. This statement is generated on June 30, at the end of an award period, when a school closes, or when the payee changes for certain awards. (Awards for programs that are "flagged" with an indicator on the Subprogram Base Record do not receive this report.) After payees receive a hard-copy of the statement (which lists the

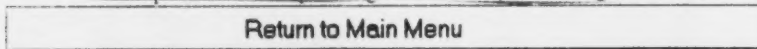
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payee's activities for award documents for which they are responsible) they are required to confirm the validity of data presented in the statement, and return the statement to the Department of Education by the due date. The payee can also view the statement on-line, input the cash expenditure amounts, print the report and mail it to the Department of Education. See **Chapter 4** and **Appendix F** in this guide for detailed instructions.

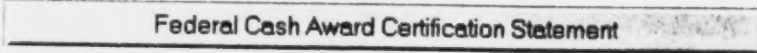
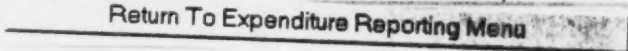
- Click  to access the **Federal Cash Quarterly Confirmation Statement**. This statement is generated in December, March, June, and September for most award types. A hard-copy of the statement will be mailed to the payee. This statement is similar to a bank statement and contains cumulative grant information as well as a payee's drawdown activity and authorization changes for the quarter. The GAPS External Access system allows payee's to view the statement on-line. A hard-copy may be printed as well.

No modifications may be made to the **Federal Cash Quarterly Confirmation Statement**. Payees should use this statement to reconcile their internal accounting records with the records of the Department of Education. Payees need only return the statement or contact the Department if they disagree with any of the information contained in the statement. See **Chapter 4** and **Appendix G** in this guide for detailed instructions.

Leave the Expenditure Reporting function by clicking the Return to Main Menu button.



A.7.1 The Federal Cash Award Certification Statement

When the user selects  from the Expenditure Reporting Menu window, GAPS displays the Federal Cash Award Certification Statement (Select) window shown in Figure A-27. Return to the Expenditure Reporting Menu window by clicking .

A.7.1.1 Selecting a Statement to View

The window initially displays statements with a **Statement Date** in the one year period ending with the current date. The **End Date** defaults to the current date and **Start Date** defaults to the

current date one year earlier. View the statements for a specific period by modifying the Start Date and End Date fields and clicking the Find button **Find**.

Return to Expenditure Reporting Menu

Federal Cash Award Certification Statement (Select)

Payee DUN/SSN: 123456789 Payee Name: State University **Find**

Start Date: 06/01/1996 End Date: 10/02/1997

Row No	Statement Date
1	06/30/1997
2	06/30/1996

Please send your comments/suggestions/questions to:
Account_Representative@ed.gov

Document Done

Figure A- 27: Federal Cash Award Certification Statement (Select) Window

A specific statement is selected by clicking on the Row No button **1** corresponding to that statement. When this is done, GAPS displays the Federal Cash Award Certification Statement (IN PROGRESS) window (Figure A-28), if the statement selected is the most current one.

NOTE: Expenditure reporting changes can only be done on the most current **Federal Cash Award Certification Statement**. Prior **Federal Cash Award Certification Statements** can only be viewed. (See the **Federal Cash Award Certification Statement (FINAL)** window in Figure A-31.)

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Return to Select Cash Certification Statement

Federal Cash Award Certification Statement (IN PROGRESS)
As of [06/30 1997]

Payee DUNS/SSN 123456789 Payee State University, 4801 Fairmont Ave. #411, Myrtle Beach, HI 10567

PR/Award No	(A) Net Authorization	(B) Net Draws	(C) Cum. Fed Cash Expenditures as of [6/30]	(D=B-C) Federal Cash With Recipient as of [6/30]	(E) Amt. in Cal. D exp. by 3rd Business Day after [6/30]	(F=D-E) Adjusted Federal Cash With Recipient
P007A971234	\$100,000.00	\$40,000.00	\$60,000.00	\$5,000.00	\$5,000.00	\$0.00
P033A971234	\$200,000.00	\$80,000.00	\$120,000.00	\$0.00	\$0.00	\$0.00
P063P971234	\$300,000.00	\$120,000.00	\$180,000.00	\$0.00	\$0.00	\$0.00
Calculate	\$600,000.00	\$240,000.00	\$235,000.00	\$5,000.00	\$5,000.00	\$0.00

NOTE: Once you complete the above table, please reallocate your funds drawn among awards to reflect your actual

Document Done

Figure A- 28: Federal Cash Award Certification Statement (IN PROGRESS) Window

A.7.1.2 Using the Selected Statement

Federal Cash Award Certification Statements are generated for payees assigned to CFDA subprograms that require annual certification statements. These statements are generated on June 30, at the end of the award period, when the payee changes, or when a school closes in order to provide positive year-to-date certification on their drawdowns and expenditures. At this time, the payee will be required to resolve and certify any excess cash balances to the Department. (However, payees should be resolving excess cash balances throughout the year.) Payees must return the **Federal Cash Award Certification Statement** by **August 31st** in order to avoid delays in receiving their federal funds. Using the on-line version, the user reports expenditures during the past fiscal year, print the report and mail it to the Department of Education. ***You will be allowed to report expenditures on-line only until the report due date.***

Payees are required to report their expenditures by PR/Award No. The Federal Cash Award Certification Statement (IN PROGRESS) window lists the payee's activities for awards they are responsible for, and is designed for them to enter the expenditure information.

At the bottom of the Federal Cash Award Certification Statement (IN PROGRESS) window (Figure A-29), the certification signature blocks and the Submit (Report Expenditures) button, the Save (Work-in-Progress) button, and the Cancel button appear.

Figure A- 29: Federal Cash Award Certification Statement Window Showing Controls

Clicking returns the user to the Expense Reporting Menu window without further action. When the user clicks , adjustments to expenditure data are saved so the user can return later and continue working.

If the user clicks , the **Federal Cash Award Certification Statement** (with expenditure adjustments you have made) is displayed in a "view only" mode (Figure A-30). A message at the bottom of the window asks the user to confirm that

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they want to submit the **Federal Cash Award Certification Statement** to the Department of Education. Clicking the **Yes** button will submit the report. Clicking the **No** button returns the user to the modifiable version of Federal Cash Award Certification Statement (IN PROGRESS) window as shown in Figure A-28.

Federal Cash Award Certification Statement (IN PROGRESS)
As of [06/30/1997]

Payee DUNS/SSN 123456789 Payee State University, 4801 Fairmont Ave #411, Myrtle Beach, HI 10567

PR/Award No	(A) Net Authorization	(B) Net Drawn	(C) Cum. Fed Cash Expenditures as of [6/30]	(D-B-C) Federal Cash With Recipient as of [6/30]	(E) Amt. in Col. Drawn by 3rd Business Day after [6/30]	(F-D-E) Adjusted Federal Cash With Recipient
P007A971234	\$100,000.00	\$40,000.00	\$35,000.00	\$5,000.00	\$5,000.00	\$0.00
P033A971234	\$200,000.00	\$80,000.00	\$80,000.00	\$0.00	\$0.00	\$0.00
P063P971234	\$300,000.00	\$120,000.00	\$120,000.00	\$0.00	\$0.00	\$0.00
Totals	\$600,000.00	\$240,000.00	\$235,000.00	\$5,000.00	\$5,000.00	\$0.00

Are you sure you want to submit expenditures? You will not be able to modify submitted expenditures online.

Figure A- 30: Federal Cash Award Certification Statement (IN PROGRESS) Window Ready for Submission

The user cannot change the expenditure data on-line once the **Submit (Report Expenditures)** button is clicked, but they can display the Award Certification Statement in its final form in a "view only" mode in the **Federal Cash Award Certification Statement (FINAL)** window (Figure A-31). Note that the hard-copy certification with original signature must also be returned to the Department of Education Financial Payments Group.

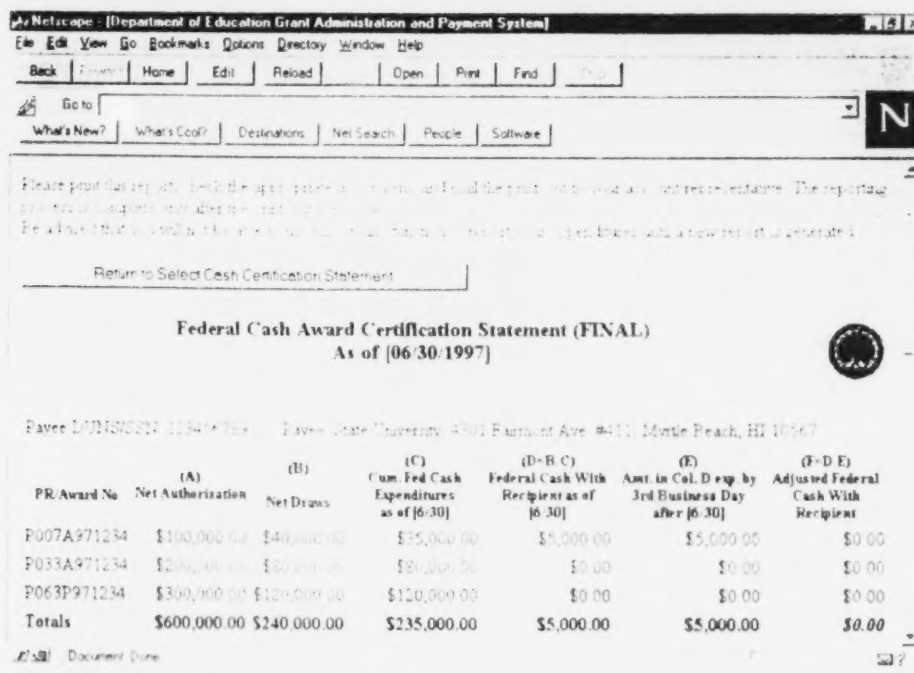
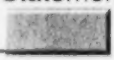


Figure A-31: Federal Cash Award Certification Statement (FINAL) Window

A.7.1.3 Exiting the Federal Cash Award Certification Statement

To return to the **Federal Cash Award Certification Statement (Select)** window, click

 **Return to Select Cash Certification Statement**  at the top of the window.

A.7.2 The Federal Cash Quarterly Confirmation Statement

The **Federal Cash Quarterly Confirmation Statement** is generated for payees four times a year in order for the payee to verify the transactions for each of their PR/Award Numbers. The purpose of this function is to enable the user to view and print the quarterly confirmation statement information on-line. When the user selects

 **Federal Cash Quarterly Confirmation Statement** , GAPS displays the Federal Cash Quarterly Confirmation Statement (Select) window shown in Figure A-32.

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File Edit View Go Bookmarks Options Directory Window Help

Back Home Edit Reload Open Print Find

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What's New? What's Cool? Destinations Net Search People Software

[Return To Expenditure Reporting Menu](#)

Federal Cash Quarterly Confirmation Statement (Select)

Payee DUNS/SSN 123456789

Payee Name State University

Quarter ☐ JUL-SEP ☐ OCT-DEC
☐ JAN-MAR ☐ APR-JUN

Fiscal Year

Please send your comments/suggestions/questions to
Account_Representative@ed.gov

Document Done

Figure A- 32: Federal Cash Quarterly Confirmation Statement (Select) Window

To return to the Expenditure Reporting Menu window, click on the **Return to Expenditure Reporting Menu** button

A.7.2.1 Selecting a Statement to View

The user can specify the quarter and the fiscal year of the desired statement by selecting the appropriate radio button and fiscal year on the **Federal Cash Quarterly Confirmation Statement (Select)** window, and then clicking the **Select** button

When the user clicks **Select**, GAPS displays the **Federal Cash Quarterly Confirmation Statement** window for the selected fiscal year and quarter as shown in Figures A-33, A-34, and A-35.

A.7.2.2 Using the Selected Statement

The Federal Cash Quarterly Confirmation Statement window presents three tables for the selected statement: the Cumulative Summary, the Quarterly Summary, and the Quarterly Detail tables. The Cumulative Summary Table (see Figure A-33) lists recipient awards and six cumulative totals, from inception of the grant award through the end of the selected quarter, for each award. The cumulative totals displayed are: Net Authorizations, Cumulative Draws, Cumulative Refunds, Net Adjustments, Net Draws and Available Balance. The draws and available balances displayed exclude the drawdown amounts that have not been confirmed for payment.

Return to Select Quarterly Confirmation Statement

Federal Cash Quarterly Confirmation Statement

4th Quarter (04/01/1997 - 06/30/1997)

Payee DUNS/SSN 123456789
 Payee Name State University
 Payee Address 4801 Farmont Ave #411, Myrtle Beach, HI 10567

CUMULATIVE SUMMARY TABLE
 (As of 06/30/1997)

Award	(A) Net Authorizations	(B) Cumulative Draws	(C) Cumulative Refunds	(D) Net Adjustments	(E) (B-C+D) Net Draws	(F) (F=A-E) Available Balance
P007A971234	\$100,000.00	\$28,000.00	\$0.00	\$2,000.00	\$30,000.00	\$70,000.00
P033A971234	\$200,000.00	\$42,000.00	\$0.00	\$3,000.00	\$45,000.00	\$155,000.00

Figure A- 33: Federal Cash Award Confirmation Statement Window -- Cumulative Summary Table

The Quarterly Summary Table (see Figure A-34) lists the recipient's awards. It displays the Available Balance at the end of the previous quarter, the Available Balance at the end of the selected quarter, and quarterly totals for Net Changes in Authorizations, Draws, Refunds, and Net Adjustments.

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File Edit View Go Bookmarks Options Directory Window Help						
Back Home Edit Reload Open Print Find						
Go to:						
What's New? What's Cool? Destinations Net Search People Software						
P063P971234	\$300,000.00	\$125,500.00	\$500.00	(\$5,000.00)	\$120,000.00	\$180,000.00
Total	\$600,000.00	\$195,500.00	\$500.00	\$0.00	\$195,000.00	\$405,000.00
QUARTERLY SUMMARY TABLE						
Award	(A) Available Balance (03/31/1997)	(B) Net Changes in Authorization	(C) Draws	(D) Refunds	(E) Net Adjustments	(F) (F=A+B-C+D-E) Available Balance (06/30/1997)
P007A971234	\$0.00	\$100,000.00	\$28,000.00	\$0.00	\$2,000.00	\$70,000.00
P033A971234	\$0.00	\$200,000.00	\$42,000.00	\$0.00	\$3,000.00	\$155,000.00
P063P971234	\$0.00	\$300,000.00	\$125,500.00	\$500.00	(\$5,000.00)	\$180,000.00
Total	\$0.00	\$600,000.00	\$195,500.00	\$500.00	\$0.00	\$405,000.00
QUARTERLY DETAIL TABLE						
Transactions						
Award	Date	Changes in Authorization	Drawdowns	Refunds	Adjustments	
P007A971234	04/04/1997	\$120,000.00	-	-	-	

Figure A- 34: Federal Cash Award Confirmation Statement Window -- Quarterly Summary Table

The Quarterly Detail Table (Figure A-35) lists the recipient's awards and provides the date and amount of Authorizations, Drawdowns, Refunds and Adjustments on the awards during the selected quarter. The returns and offsets are included in the drawdowns column with codes 'RE' to identify the transaction as a return, and 'OF' to identify the transaction as an offset.

Figure A-35 is a screenshot of a Netscape browser window displaying the 'QUARTERLY DETAIL TABLE' for the Department of Education Grant Administration and Payment System. The browser's address bar shows 'http://www.ed.gov/'. The table lists transactions for three awards: P007A971234, P033A971234, and P063E971234. The columns are Award, Date, Changes in Authorization, Drawdowns, Refunds, and Adjustments. The status bar at the bottom indicates 'Document Done'.

Award	Date	Changes in Authorization	Drawdowns	Refunds	Adjustments
P007A971234	04/04/1997	\$120,000.00	-	-	-
	04/23/1997	(\$20,000.00)	-	-	-
	05/01/1997	-	\$20,000.00	-	-
	05/15/1997	-	-	-	\$2,000.00
	05/15/1997	-	\$8,000.00	-	-
P033A971234	04/24/1997	\$200,000.00	-	-	-
	05/10/1997	-	\$17,000.00	-	-
	05/15/1997	-	-	-	\$3,000.00
	06/11/1997	-	\$25,000.00	-	-
P063E971234	04/25/1997	\$300,000.00	-	-	-
	05/01/1997	-	\$12,000.00	-	-
	05/05/1997	-	-	\$500.00	-
	05/15/1997	-	-	-	(\$5,000.00)

Figure A- 35: Federal Cash Award Confirmation Statement Window -- Quarterly Detail Table

A payee is expected to review the quarterly confirmation statement, and report discrepancies in authorizations to the program office representative and drawdown, return, and adjustment discrepancies to the payment account representative at the address shown at the bottom of the statement.

A.7.2.3 Exiting the Federal Cash Quarterly Certification Statement

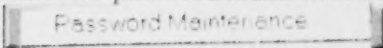
Return to the **Federal Cash Quarterly Confirmation Statement (Select)** window by clicking

at the top of the window.

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A.8. Password Maintenance

Enter the password maintenance function by clicking the Password Maintenance

 button on the GAPS Main Menu window (Figure A-2). The Password Maintenance window shown in Figure A-36 enables the user to change the password associated with the GAPS User ID used during the log-on.

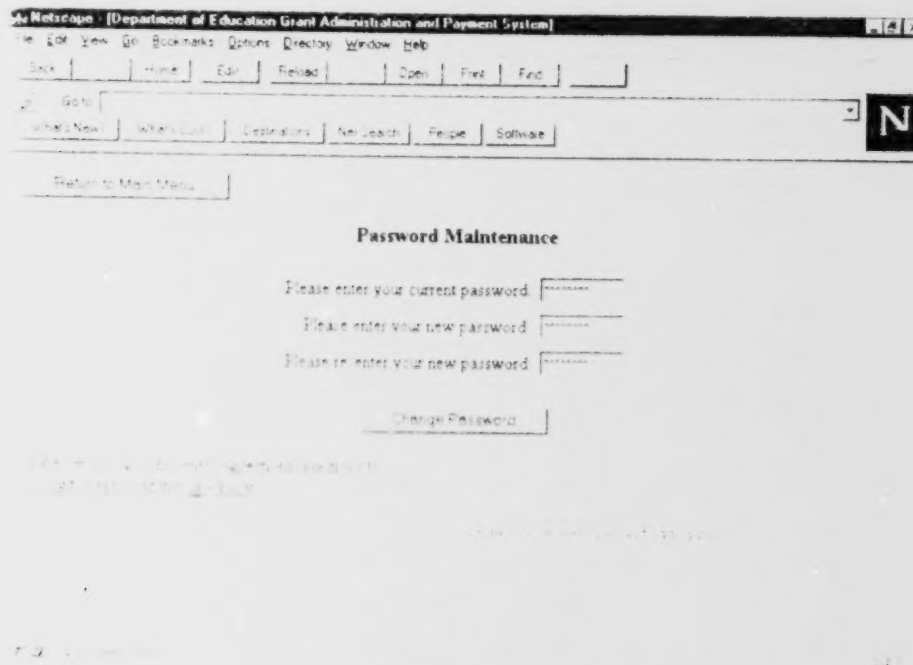
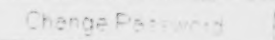
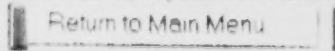


Figure A- 36: Password Maintenance Window

The user is prompted to enter the current password, enter the new eight-character password, and then re-enter the new password for confirmation. When this is complete, click

 and, if the new password is confirmed, the password associated with the User ID is changed. From this point on, the new password must be used to log-on to the GAPS External Access System. Click  to access the other GAPS External Access system functions.

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A.9. Exiting The Gaps External Access System

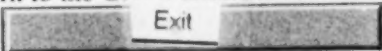
To exit (or "quit") the GAPS External Access system, return to the GAPS External Access system Main Menu (Figure A-2) and click the **Exit** button . This completes the session and displays the Exit window (Figure A-35).



Figure A-37: Exit Window

After exiting the GAPS External Access system, either close the browser or "point" it to a new Web site. The user can re-enter GAPS External Access system by clicking on the **GAPS** button .

This returns the user to the GAPS External Access system Logon window.

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APPENDIX B

Service Bureau Payment Request Procedures

SERVICE BUREAU PAYMENT REQUEST RECORD

(See detailed instructions beginning on next page)

LINE 1 D-U-N-S Number ✓ _____

LINE 2 User ID and Password _____ / _____

LINE 3 Payment Method _____

LINE 4 Grant Award Number _____

LINE 5 Recipient Reference _____

LINE 6 Amount Requested \$ _____ . ____

LINE 7 Requested Deposit Date ____ / ____ / ____
MM/DD/YYYY

LINE 8 Grant Award Number _____

LINE 9 Recipient Reference _____

LINE 10 Amount Requested \$ _____ . ____

LINE 11 Requested Deposit Date ____ / ____ / ____
MM/DD/YYYY

LINE 12 Control Number _____

LINE 13 Preparer's Signature & Date _____

SERVICE BUREAU PAYMENT REQUEST PROCEDURES

The Payment Request Record illustrated on page B-1 should be used by payees to provide a record of payments requested through the service bureau. A separate record should be completed for each series of payment requests made, to provide an audit trail and aid in account reconciliation. To submit a request and provide a record of the transaction, follow these steps:

Step 1 Using the instructions provided under "Line" and "Description" below, complete lines 1-11 of the Payment request Record before placing a call to the service bureau.

<u>Line</u>	<u>Description</u>
1	Enter the payee's 9-digit D-U-N-S Number.
2	Do not write the User ID and password on the request form; however have this information available to give to the service bureau.
3	Enter ACH or FEDWIRE as the method of payment. An ACH payment is delivered electronically at no charge to the requester. For ACH, the earliest deposit date is the current date plus two days. For FEDWIRE payments, if the time of the request is before 12:30 p.m. Eastern Time, the earliest deposit date is the current date. Otherwise the earliest deposit date is the current date plus one day. Be aware that financial institutions may charge their customers for processing Fedwire payments.
4	Enter the 11-character grant award number for which payment is requested.
5	Enter the recipient reference used to identify the grant in the payee's system.
6	Enter the payment amount in dollars and cents being requested from this grant.
7	Enter the date that the deposit is expected at the payee's financial institution. See instructions for line 3 above.
8,9,10,11	Repeat lines 4-7 for each grant award for which payment is requested.

Service Bureau Payment Request Procedures

<i>Line</i>	<i>Description</i>
12	See Step 3 .
13	See Step 4 .
Step 2	Call the service bureau and provide the operator with the information entered on lines 1-11 of the Payment request Record.
Step 3	Upon accepting the request, the service bureau will provide the caller with a control number. Record this control number on line 12 of the Payment Request Record.
Step 4	Sign and date the Payment Request Record on line 13 <i>after</i> the payment request has been completed.

APPENDIX C

Instructions—Request for Advance or Reimbursement
(SF-270)

**INSTRUCTIONS
REQUEST FOR ADVANCE OR REIMBURSEMENT
(SF-270)**

Detailed instructions for completing the SF-270, Request for Advance or Reimbursement, (depicted in Figure C-1) are provided below. Grantees placed on reimbursement will be required to complete this form to request payment of grant award funds. Instructions for submitting the SF-270 will be provided on an individual basis.

<u>ITEM #</u>	<u>DESCRIPTION</u>
1	Place an "X" in the box to indicate Reimbursement.
2	These items are preprinted.
3	Place an "X" in the box to indicate Cash Request.
4	Enter the recipient's Taxpayer Identification Number (TIN).
5	Enter the payee's D-U-N-S Number.
6	Leave blank.
7	Enter name and address.
8	Enter the period during which the total disbursements requested were made.
9A	Enter the period during which cash disbursements were made along with the amount disbursed.
9B	Enter the cash on hand amount as of the date of the request.
9C	Enter the same dates as in Item 8 above. Enter the difference between Line 9A and Line 9B.
10	Enter the name, title, and telephone number of the certifying official. Enter the date submitted. The form submitted must contain the original signature of the certifying official.
11	In the blank provided directly below the certification block, enter the grant award number and amount requested by award.

Note: The approved request will be entered directly into GAPS for payment. All payments will be deposited in the payee's account at the payee's financial institution by ACH.

Figure C-1: Standard Form 270—Request for Advance or Reimbursement

REQUEST FOR ADVANCE OR REIMBURSEMENT		1. TYPE OF PAYMENT ☐ ADVANCE ☒ REIMBURSEMENT REQUESTED	
2 FEDERAL SPONSORING AGENCY: US Department of Education Program Financing Branch/AFMS 400 Maryland Avenue SW Washington, DC 20202-4331	3 BASIS OF REQUEST ☒ CASH ☐ ACCRUAL		4 TIN 5 D-U-N-S NUMBER 6
	8 PERIOD COVERED BY THIS REQUEST FROM _____ TO _____ (Month, Day, Year) (Month, Day, Year)		
7 RECIPIENT ORGANIZATION:			
9 COMPUTATION FOR ADVANCES ONLY			
A. EST. FED. CASH OUTLAYS TO BE MADE DURING PERIOD _____ THRU _____		\$ _____	
B. LESS: ESTIMATED BALANCE OF FEDERAL CASH ON HAND AS OF _____		\$ _____	
C. AMOUNT REQUESTED (LINE A MINUS B) FOR _____		\$ _____	
10 CERTIFICATION			
I certify that to the best of my knowledge and belief the data above are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested		SIGNATURE OF CERTIFYING OFFICIAL	
		TYPED OR PRINTED NAME AND TITLE	
		TELEPHONE	AREA CODE
STANDARD FORM 270			

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Request For Advance or Reimbursement (SF-270)

APPENDIX D

**Instructions—ACH Direct Deposit Sign-up Form
(SF-1199A)**

INSTRUCTIONS
ACH DIRECT DEPOSIT SIGN-UP FORM
(SF-1199A)

Recipients can obtain an SF-1199A (Figure D-1) from their payment account representatives. The preprinted instructions on the reverse side of the SF-1199A should be disregarded and the following instructions should be followed in completing the SF-1199A.

The recipient is to complete Sections 1 and 2 of the SF-1199A. The recipient's financial institution is to complete Section 3 and mail the completed form to the Department of Education. The financial institution will mail a copy of the completed SF-1199A to the recipient.

INSTRUCTIONS - SECTION 1

- | | | |
|--------|--|--|
| ITEM A | Name of Payee
Address
Telephone number | Enter the name and address of payee's organization.
Enter telephone number of person authorized to certify the payment request. |
| ITEM B | Name of Person(s) Entitled to Payment | Leave Blank. |
| ITEM C | Claim or Payroll ID Number | Enter the following information:
Prefix: 9 digit D-U-N-S Number,
Suffix: 11 character Grant Award Number. |
| ITEM D | Type of Depositor | Place an "X" in the Appropriate box. |
| ITEM E | Depositor Account | Enter the payee's account number at the financial institution in which funds are to be deposited. Include blanks or dashes when entering the account number. |
| ITEM F | Type of Payment | Enter "X" in the "Other" box. |
| ITEM G | Box for Allotment of Payment Only | Leave Blank. |
| | Payee/Joint Certification | Authorized Certifying Official for the payee is to sign the form. |

INSTRUCTIONS - SECTION 2

Government Agency Name

Enter: Department of Education.

Government Agency Address

Enter: 600 Independence Avenue, SW
Suite 3321 - Mail Stop 4331
Washington, D.C. 20202-4331

Direct Deposit Sign-up (SF-1199A)

FOR SALE BY THE SUPERINTENDENT OF DOCUMENTS, U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON, DC 20462 STOCK NO. 948-000-00363-0

OMB No. 1510-0007

Standard Form 1199A
(Rev. June 1997)
Prescribed by Treasury
Department
Treasury Dept. Cl. 1075

DIRECT DEPOSIT SIGN-UP FORM

DIRECTIONS

- To sign up for Direct Deposit, the payee is to read the back of this form and fill in the information requested in Sections 1 and 2. Then take or mail this form to the financial institution. The financial institution will verify the information in Sections 1 and 2, and will complete Section 3. The completed form will be returned to the Government agency identified below.
- A separate form must be completed for each type of payment to be sent by Direct Deposit.
- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuitant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to remain qualified for payments.

SECTION 1 (TO BE COMPLETED BY PAYEE)

A NAME OF PAYEE (last, first, middle initial)		D TYPE OF DEPOSITOR ACCOUNT ☐ CHECKING ☐ SAVINGS	
ADDRESS (street, route, P.O. Box, APO/FPO)		E DEPOSITOR ACCOUNT NUMBER	
CITY	STATE	ZIP CODE	
TELEPHONE NUMBER		F TYPE OF PAYMENT (Check only one)	
AREA CODE		☐ Social Security ☐ Fed Salary/Mil. Civilian Pay ☐ Supplemental Security Income ☐ Mil. Active ☐ Railroad Retirement ☐ Mil. Retire. ☐ Civil Service Retirement (OPM) ☐ Mil. Survivor ☐ VA Compensation or Pension ☐ Other (specify)	
B NAME OF PERSON(S) ENTITLED TO PAYMENT		G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (if applicable)	
C CLAIM OR PAYROLL ID NUMBER		TYPE	
Prefix Suffix		AMOUNT	
PAYEE/Joint PAYEE CERTIFICATION		JOINT ACCOUNT HOLDERS' CERTIFICATION (optional)	
I certify that I am entitled to the payment identified above, and that I have read and understood the back of this form. In signing this form, I authorize my payment to be sent to the financial institution named below to be deposited to the designated account.		I certify that I have read and understood the back of this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.	
SIGNATURE	DATE	SIGNATURE	DATE
SIGNATURE	DATE	SIGNATURE	DATE

SECTION 2 (TO BE COMPLETED BY PAYEE OR FINANCIAL INSTITUTION)

GOVERNMENT AGENCY NAME	GOVERNMENT AGENCY ADDRESS

SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

NAME AND ADDRESS OF FINANCIAL INSTITUTION		ROUTING NUMBER		CHECK DIGIT
		DEPOSITOR ACCOUNT TITLE		
FINANCIAL INSTITUTION CERTIFICATION				
I confirm the identity of the above-named payee(s) and the account number and title. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above in accordance with 31 CFR Parts 240, 206, and 210.				
PRINT OR TYPE REPRESENTATIVE'S NAME	SIGNATURE OF REPRESENTATIVE	TELEPHONE NUMBER	DATE	

Financial institutions should refer to the GREEN BOOK for further instructions.

THE FINANCIAL INSTITUTION SHOULD MAIL THE COMPLETED FORM TO THE GOVERNMENT AGENCY IDENTIFIED ABOVE.

Figure D-1: Direct Deposit Sign-up Form (SF-1199A)

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APPENDIX E

FEDWIRE Financial Institution Information Update

Director, Financial Payment Group
600 Independence Avenue, S.W.
Suite 3321 - Mail Stop 4331
Washington, DC 20202-4331

Dear Sir:

Please transfer FEDWIRE payments for (name of organization) to the following financial institution and depositor account beginning on this date: Month __, Day __, Year __.

Information regarding the financial institution to which payments for D-U-N-S _____ are to be transferred is provided below.

Financial Institution:

Name
Street
City, State Zip Code

ABA Number: _____

Account Number: _____

Contact Name: _____

Telephone No.: (____) _____

Corresponding Bank (if applicable):

Name
Street
City, State Zip Code

ABA Number: _____

Telegraphic Abbrev: _____

Please update my account with the information as indicated above. If you have any questions, I may be reached at (____) _____.

Sincerely,

Chief Financial Officer

APPENDIX F

Instructions – *Federal Cash Award Certification Statement*

INSTRUCTIONS

Federal Cash Award Certification Statement

The Federal Cash Award Certification Statement (depicted in Figure F-1) replaces the EDPMS 272 report. Payees will be required to certify to ED their cash expenditures and their cash balances for each grant award as of the statement date. At this time, payees will also resolve and certify any excess cash balances to the Department. (However, payees should be resolving all excess cash balances throughout the year). Certification of expenditures and balances could also be required at other times, such as for grant closeouts, audits, and failure to resolve excess cash balances on prior award certification statements.

	Award Column	List of grant awards
A	Cumulative Authorization	This represents the net authorization amount of each grant award. This amount includes all authorizations and changes in authorizations as of the statement date. If the cumulative authorization amount does not agree with the payee's records, the payee must contact the grant or program office which issued the award. <i>(Pre-printed figure provided by ED)</i>
B	Net Draws	This represents the net amount drawn on each grant award as of the statement date (taking into account any adjustments and subtracting any refunds). If the payee does not agree with the net draws amount, the payee should contact its payment account representative. NOTE: A payee's net draws should not be more than the authorized amount for any one grant award (column B should be less than or equal to column A). <i>(Pre-printed figure provided by ED)</i>
C	Cumulative Federal Cash Expenditures as of (MMDD)	The payee must enter the cumulative expenditures for each award from the beginning of the award to the end of the reporting period. Cumulative Expenditures are defined as actual dollars of the grant award spent on the funded program. NOTE: A payee cannot report expenditures greater than the amount that they are authorized for any one grant award. <i>(Provided by Payee)</i>

Federal Cash Award Certification Statement

D	Federal Cash With Grantee as of (MMDD)	This is a calculated amount for each award in which column C is subtracted from column B. This figure represents the amount of unspent cash drawn by the payee as of the statement date. According the Office of Management and Budget Circular A-133, the payee is required to spend this cash within three business days from the day of deposit or return the amount to the Department. <i>(Calculated by Payee)</i>
E	Amount in D Expended by the 3rd Business Day after (MMDD)	If there are any positive balances in column D, this column provides the payee with the opportunity to enter the portion of this amount spent by the third business day after the statement date. Furthermore, if any balance in Column D is negative or zero, no entry is to be made on that line. <i>(Provided by Payee)</i>
F	Adjusted Federal Cash with Grantee	This is a calculated amount in which column E is subtracted from column D. 1) If this amount is negative, then the payee has expenditures for which it has not drawn ED funds. 2) If this amount is positive then the payee drew more money then needed to meet immediate needs. This means that the payee is holding federal cash from that grant award. Thus, the payee is in an excess cash position on this award. Further payment requests made on any grant award reflecting excess cash (a positive balance) will be routed to an ED payment representative for approval. <i>(See Note on the form about how to resolve excess cash).</i> <i>(Calculated by Payee)</i>
G	Total Box	This calculated box is the net total value of all positive and negative balances in column F. If the total in this box is a positive number, the payee is in a net excess cash position with the Department.

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Figure F-1: Federal Cash Award Certification Statement

U.S. Department of Education
FEDERAL CASH AWARD CERTIFICATION STATEMENT
 As of [XX/XX/XXXX]



DUNS/SN: 123456789
 Name: Demonstration Payee
 Address: Office of Payments
 1 Main Street
 Hometown, MA 99999

Amount	(A) Cumulative Authorization	(B) Net Drawn	(C) Cumulative Federal Cash Expenditures as of [6/98]	(D) (C-B-C) Federal Cash with Grants as of [6/98]	(E) Amount in Col. D Expended by Fed Payee(s) after [6/98]	(F) (D-E-F) Adjusted Federal Cash with Grants
P007A937100	66,000.00	62,500.00				
P007A947100	50,000.00	45,000.00				
P063P932800	150,000.00	150,000.00				
P063P942800	97,096.00	85,500.00				
P063P952800	1,036,300.00	1,000,000.00				
Totals	1,796,796.00	1,743,400.00				

NOTE: Once you complete the above table, please reallocate your funds drawn among awards to reflect your actual expenditures per your internal accounting records. This is done through online drawdown adjustments or by requesting the reallocation from the person or service who handles your drawdowns.

☐ **YES, I have made all appropriate adjustments.** (See award certification instructions in your User's Guide for more information on adjustments and excess cash.)

If the net total in column F indicates positive federal cash with grants, you must follow in sequence the steps listed below as appropriate:

☐ 1. Return the total positive Federal cash to the U.S. Department of Education via check (check should be attached) or electronic transfer.
 Please state your check number and amount: \$ _____ or the trace number and amount of your electronic transfer: _____

☐ 2. Attach a letter, signed by a certifying official, acknowledging the amount of money owed to the Department and when it will be paid.

☐ 3. Attach a letter, signed by a certifying official, stating why you do not owe the Department the amount totaled in column F.

AUTHORIZED CERTIFYING OFFICIAL

I certify to the best of my knowledge that this statement is true in all respects and that all expenditures have been made for the purpose and conditions of the grant(s) or agreement(s).

Signature: _____ Date Statement Submitted: _____
 Typed or Print Name and Title: _____
 Telephone (Area Code) _____ (Number) _____ (Extension) _____

Return this completed form by XX/XX/XXXX to:
 U.S. Department of Education
 Financial Payments Group/CAAU
 600 Independence Avenue, SW
 Washington, D.C. 20202-4331

The Financial Payment Group - Customer Assistance/
 Accountability Unit Representative responsible for your account is:
 Account Rep Name
 (202) 401-XXXX
 account_rep@ed.gov

Federal Cash Award Certification Statement

ADJUSTMENTS

An **adjustment** is the movement of drawn funds from one grant award to another. The adjusted net draws should reflect a payee's actual expenditures so that the Department's records will agree with the payee's internal accounting records.

FOR EXAMPLE: If Grant #1 has a balance of \$1,000 in column F and Grant #2 has a balance of (\$800) in column F, then an adjustment should be made to move the \$800 of the excess cash from Grant #1 to Grant #2 (which is in the hole by \$800). By doing so, Grant #1 has reduced its excess cash balance to \$200 and Grant #2 has a \$0 balance.

NOTE: Once all adjustments have been made, a payee must mark the box, on the Award Certification Statement, to indicate: "Yes, I have made all appropriate adjustments."

It is the payee's responsibility to make these adjustments. Adjustments can be made at any time, either on-line on the adjustment screen, or by requesting that the reallocation be made by the person or service who processes drawdown requests.

EXCESS CASH

Excess cash is when any grant award has a positive cash balance. This occurs when a payee's net draws exceed expenditures, for one or more of its awards, three business days after the drawdown request has been deposited into the payee's bank account.

Payees should reconcile their grant awards on a regular basis and are required to resolve any excess cash balances throughout the year.

How to Resolve Excess Cash

Once all adjustments have been made and the grant award balances are either all positive or all negative, a payee can determine how to resolve any positive cash balances (excess cash) or negative cash balances (cash deficiency) it has with the Department. Again, if an award in column F has a positive balance, the payee is in an excess cash position with the Department. To eliminate the excess cash, the payee must follow, in sequence, the steps listed below:

1. Return the total positive federal cash to the U.S. Department of Education via check or electronic transfer. Along with the refund, a payee should specify (directly on the check, on an attached letter, etc.) which grant awards the returned funds are to be applied to, and the amount being returned for each award.

2. Attach a letter, signed by a certifying official, acknowledging the amount of money owed to the Department and stating when it will be paid. Be sure to state the grant award number(s) along with the corresponding amount(s).
3. Attach a letter, signed by a certifying official, stating why you do not owe the Department the excess cash computed in column F. Be sure to state the grant award number(s) along with the corresponding amount(s).

NOTE: The payee must mark the appropriate box to indicate which action(s) were taken.

If a payee has a cash deficiency (a negative cash balance) with the Department, for one or more awards, then additional drawdowns from the Department can be requested.

Failure to Resolve Excess Cash

If a payee fails to eliminate all excess cash balances via adjustments or one of the steps listed above, the payee is in violation of OMB Circular A-133. As a result any drawdown requests made by the payee for awards having excess cash will be routed to an ED representative for approval. In addition, a second Federal Cash Award Certification Statement will be generated on September 30th for the payee to submit and certify their expenditures through September 30th. This statement must be returned to the Department in 31 days (by October 31st). Upon receipt of this statement, if the payee still has excess cash, then the payee will receive a bill for their excess cash amount due.

Any questions on completing this statement, should be directed to the payee's Payment Account Representative.

APPENDIX G

Instructions – *Federal Cash Quarterly Confirmation Statement*

INSTRUCTIONS

Federal Cash Quarterly Confirmation Statement

The Federal Cash Quarterly Confirmation Statement (depicted in Figure G-1) is issued at the end of each quarter (9/30, 12/31, 3/31, 6/30) and is similar to a bank statement. In addition to cumulative grant information, it will contain a payee's drawdown activity and authorization changes for the quarter. Payees should use this information to reconcile their internal accounting records with the Department and only return the statement, or contact the Department of Education, if they disagree with any of the information contained in the statement.

If there is a discrepancy between the information provided in the statement and the payee's records, the payee should:

1. Contact their ED program office for authorization discrepancies, and/or,
2. Contact the payee's payment account representative for drawdown discrepancies or inquires related to cash balances.

NOTE: *If a payee does not respond to the Department by the date indicated at the end of the statement, then ED will assume the payee's internal accounting records agree with this statement.*

Cumulative Summary Table

Grant award information contained in this table is cumulative (from the start of each grant to the statement date).

	Award	List of grant awards
A	Cumulative Authorization	This represents the net authorization amount of each grant award. This amount includes all authorizations and changes in authorizations as of the statement date.
B	Cumulative Draws	This represents the net draws for each grant award. This amount includes all drawdowns and returns as of the statement date.

Federal Cash Quarterly Confirmation Statement

C	Cumulative Refunds	This represents the total amount of money refunded to the Department by the payee. A refund should be made to the Department when a payee does not spend all drawn money within three business days from the date of deposit in their bank account.
D	Net Adjustments	This represents the net result of all adjustments made to the amounts drawn on a grant from the start of the grant to the statement date.
E	Net Draws	This represents the net amount drawn on each grant award as of the statement date. Net draws are calculated by taking Cumulative Draws, then subtracting Cumulative Refunds, and adding or subtracting Net Adjustments. NOTE: A payee's net draws should not be more than the authorized amount for any one grant award (each amount in column E should be less than or equal to each related amount in column A).
F	Available Balance	This represents total amount of funds available for draw for each grant award. This figure is calculated for each award by subtracting Net Draws from the Cumulative Authorization.

Quarterly Summary Table

The information contained in this table reflects activity, on each grant, during the statement quarter only.

	Award	Listing of grant awards held by the payee.
A	Available Balance <i>(Beginning Balance)</i>	This represents the total amount of funds available to draw at the start of the quarter. In other words this is the payee's quarter beginning balance with the Department, by award.
B	Net Change in Authorization	This represents the net change in a grant's authorization amount that occurred during the statement quarter.
C	Draws	This represents the total amount of funds drawn on each grant during this statement quarter.
D	Refunds	This represents the total amount of money refunded to the Department by the payee during the statement quarter. A refund is made to the Department when a payee does not spend all drawn money within three business days.

E	Net Adjustments	This represents the net result of all increases and decreases to drawn funds made on a grant award during the statement quarter. Thus, these amounts can be positive or negative.
F	Available Balance <i>(Ending Balance)</i>	This represents the total amount of funds available for draw by the payee as of the statement date (In other words, this is the payee's ending balance at the Department for each grant award). This figure is calculated by taking the beginning balance, plus any changes in authorization, minus any draws, plus any refunds, and plus or minus any adjustments.

Quarterly Detail Table

This table shows the detail transactions, that occurred during the quarter, on each grant award. These figures represent individual transactions of the above Summary Table. The grant activity for each award is listed in chronological order.

Federal Cash Quarterly Confirmation Statement

U.S. Department of Education
FEDERAL CASH QUARTERLY CONFIRMATION STATEMENT

4th Quarter (04/1/1996 - 06/30/1996)

DUNS/SSN 123456789
Name Demonstration Payee
Address Office of Payments
1 Main Street
Hometown, MA 99999



CUMULATIVE SUMMARY TABLE
(As of 06/30/1996)

Award	(A) Cumulative Authorization	(B) Cumulative Draws	(C) Cumulative Refunds	(D) Net Adjustments	(E) (E=B-C+D) Net Draws	(F) (F=A-E) Available Balance
P007A937100	66,000.00	65,200.00	2,200.00	(500.00)	62,500.00	3,500.00
P007A947100	50,000.00	45,000.00	0.00	0.00	45,000.00	5,000.00
P063P932800	150,400.00	150,400.00	0.00	0.00	150,400.00	0.00
P063P942800	97,096.00	86,000.00	1,000.00	500.00	85,500.00	11,596.00
P063P952800	1,436,300.00	1,400,000.00	0.00	0.00	1,400,000.00	36,300.00
Total	1,799,796.00	1,746,600.00	3,200.00	0.00	1,743,400.00	56,396.00

QUARTERLY SUMMARY TABLE

Award	(A) Available Balance (4/1/96)	(B) Net Change in Authorization	(C) Draws	(D) Refunds	(E) Net Adj.	(F) (F=A+B-C+D-E) Available Balance (6/30)
P007A937100	4,350.00	0.00	500.00	150.00	500.00	3,500.00
P007A947100	15,000.00	10,000.00	20,000.00	0.00	0.00	5,000.00
P063P932800	0.00	0.00	0.00	0.00	0.00	0.00
P063P942800	11,096.00	0.00	0.00	0.00	(500.00)	11,596.00
P063P952800	45,300.00	(1,000.00)	8,000.00	0.00	0.00	36,300.00
Total	72,746.00	9,000.00	28,500.00	150.00	0.00	56,396.00

Figure G- 1: Federal Cash Quarterly Confirmation Statement

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Federal Cash Quarterly Confirmation Statement

QUARTERLY DETAIL TABLE					
Award	Transaction				
	Date	Change in Authorization	Drawdown	Refund	Adjustment
P007A937100	4/3/96		250 00		
	5/1/96		250 00		
	5/10/96				500 00
	5/17/96			150 00	
P007A947100	5/13/96		15,000 00		
	6/1/96	10,000 00			
	6/27/96		5,000 00		
P063P942800	5/10/96				(500 00)
P063P952800	4/3/96		3,000 00		
	6/18/96		5,000 00		
	6/20/96	(1,000 00)			

If there is a discrepancy between this quarterly statement and your records (1) contact your program office representative for authorization discrepancies and/or (2) contact your payment account representative for drawdown discrepancies. If you do not respond by XX/XX/XXXX, [system generated - 35 calendar days after run date] agreement with your records will be assumed. Please address payment correspondence to your FINANCIAL PAYMENT GROUP Account Representative

Account Rep Name
 U S Department of Education
 600 Independence Avenue, SW Room 3321
 Washington, D C 20202-4331
 (202) 401-XXXX
 account_rep@ed.gov

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Figure G- 2: Federal Cash Quarterly Confirmation Statement (continued)

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APPENDIX H

Excess Funds Notification Letter

XYZ UNIVERSITY
500 MAIN STREET
CENTERVILLE, SC 06519-0500

RE: GAPS DUNS: _____

Dear Recipient:

SUBJECT: Potential Excess Cash on Hand

The _____ 19____, ending cash on hand of \$_____ (Column F, Federal Cash Award Certification Statement), indicates that your organization may not be in compliance with Federal Cash Management Regulations. The regulations require grantees to establish procedures to minimize the time elapsing between the receipt of Federal funds and the actual disbursements. The maximum amount of time a recipient may hold Federal funds is 3 working days.

Your ability to draw funds has been temporarily suspended until we receive your written response addressing the following actions:

1. Review your current management practices and state what you intend to do to avoid draws in excess of your immediate needs.
2. State the dates and the amounts of funds disbursed, if you have paid claims against the amount in Column D, Federal Cash Award Certification Statement
3. Refund excess funds immediately.

Failure to comply with this request may cause interest charges, as prescribed by the Treasury Department, to be added to the debt. If no response is received, your account will be considered delinquent and will be referred to our Financial Improvements and Receivable Group for collection action.

Please reference the GAPS DUNS above and send your response to this address:
U.S. Department of Education, Financial Payments & Cash Management Operations, Financial Payment Group, Suite 3321, 600 Independence Avenue, SW, Washington, DC 20202-4331.

If you need further clarification, please contact your payment account representative, _____, at (202)401-1237, account representative code ____.

Sincerely,

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APPENDIX I

Remitting Payments by Check

INSTRUCTIONS FOR REMITTING NON-DIRECT LOAN FUNDS BY CHECK

- A. Make check payable to the Department of Education.
- B. Include with the remittance the 11 character Grant Award Number, the DUNS, and the name and telephone number of contact person originating the request.
- C. Include with the remittance the reason for the remittance. Be sure to state the reason in the manner described to the right of the 4 reasons listed below.
- D. Mail check and remittance information to the following address:

Department of Education
PO Box 952023
St. Louis, MO 63195-2023

REASON FOR REMITTANCE

INCLUDE THE FOLLOWING:

- | | |
|---|--|
| 1. Excess cash or unused funds | GAPS Excess Cash for
Award No.: _____
DUNS No.: _____ |
| 2. Interest earned on Federal funds | Interest earned on Federal funds for:
(Student Financial Assistance Programs, Perkins
Loans, Direct Loans, FFEL, <i>et. al.</i>)
DUNS No.: _____ |
| 3. Liquidation of the Perkins Loan Program | Perkins Liquidation for:
Award No.: _____
DUNS No.: _____ |
| 4. Closed awards
(Funds returned for closed awards will not be
posted to the Payment accounts.) | Return of funds for:
Program: <u>(PELL, CWS, SEOG, <i>et. al.</i>)</u>
Award No.: _____
DUNS No.: _____ |

NOTE: If you receive a bill from the Department of Education, please follow the instructions for payment on the bill.

INSTRUCTIONS FOR REMITTING **DIRECT LOAN FUNDS** BY CHECK

- A. Make check payable to the Department of Education.
- B. Include with the remittance the reason for the remittance.
- C. Mail check and remittance information to the following address:

U.S. Department of Education
Excess Cash
PO Box 2011
Montgomery, AL 36102-2011

REASON FOR REMITTANCE

INCLUDE THE FOLLOWING:

- 1. Direct Loan Excess Cash

Academic Year and the words:
"Direct Loan Excess Cash"

NOTE: If you receive a bill from the Department of Education, please follow the instructions for payment on the bill.

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APPENDIX J

Remitting Payments by FEDWIRE

DEPARTMENT OF EDUCATION
FEDWIRE EFT MESSAGE FORMAT AND INSTRUCTIONS

021030004 Type/Sub-Type

Sender No.: Sender Ref. No.: Amount

①

Sender Name (Automatically inserted by the Federal Reserve Bank)

Treasury Department Name/CTR/

TREAS NYC/CTR/

BNF=ED/AC 91020001 OBI=

Name/City/State:

②

DUNS:

AGENCY CODE:

③

TIN:

FOR:

④

INSTRUCTIONS:

A. The recipient completes items 1 - 4 above as follows:

- ① Indicate amount including cents digits.
- ② Indicate recipient's institution name, city and state.
- ③ Indicate the D-U-N-S Number (DUNS) and Taxpayer Identification Number (TIN).
- ④ Indicate the Grant Award Number, Audit Control Number, Program review Number, and reason for remittance. Provide the information/words applicable to the reason for the remittance of funds (See *Appendix J* for a list of reasons for remitting funds).

B. Provide the sending bank with a copy of the above completed form. The above form contains other information the bank will need to transmit the FEDWIRE message.